THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY MAGDALENE, REIGATE

England & Wales · Charity number 1129140

Details

Other names	REIGATE ST MARY'S PCC
Status	Registered
Legal form	Previously excepted
Registered	2009-04-15
Register	View on the Charity Commission register

Contact

Address	St. Marys Parish Office Chart Lane Reigate RH2 7RN
Phone	01737221100
Email	admin@stmaryreigate.org
Website	www.stmaryreigate.org

Activities

Objects: Promoting in the ecclesiastical parish the whole mission of the Church.

Activities: St Mary's Church seeks to be an instrument of God's blessing to the people of our parish, our congregations and the wider community. Through a wide variety of activities and services we seek to share the life and transforming love of God in word and in action, bringing to this task the numerous gifts and talents of a very significant number of lay people as well as the clergy and staff team.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** Children/young People, Elderly/old People, The General Public/mankind

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Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£735,468	£784,463	£4,669,362	11
2023-12-31	£801,847	£762,002	£4,658,950	9
2022-12-31	£765,192	£709,844	£4,598,508	6
2021-12-31	£671,141	£624,156	£4,515,447	6
2020-12-31	£695,302	£651,884	£4,303,548	6

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Trustees

Name	Role	Appointed
Rev RICHARD WILSON	Chair	2018-07-12
Andrew Prestwood		2023-04-24
Deborah Jackson		2023-04-24
Esther Lyth		2022-04-26
Heather Chesterton		2023-04-24
Ian Capper		2023-04-24
James Bunch		2024-04-29
James Norman		2024-04-29
Joseph Lu		2026-04-28
LORRAINE MARTIN		2024-04-29
NICOLA PECK		2023-04-24
Nick Rayner		2017-04-25
Peter Wilson		2025-05-12
Rebecca Beggs		2025-04-28
Rev Benjamin Forbes		2023-09-11
Rev Helen Fraser		2019-04-29
Rev Simon Russell		2024-07-15
Rev kate capper		2015-12-06
Sarah Bertlin		2023-04-24
Tim Collins		2024-04-29
Zachary Downie		2024-04-29

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THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY MAGDALENE, R

England & Wales - Charity number 1129140

Accounts

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ST MARY'S CHURCH, REIGATE

ANNUAL REPORT AND FINANCIAL STATEMENTS OF
THE PAROCHIAL CHURCH COUNCIL

for the year ended

31 December 2024

Charity Registration No: 1129140

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INCUMBENT
Vicar
The Revd Richard Wilson
The Vicarage
76 Church Street
Reigate
Surrey
RH2 OSP

AUDITOR
Xeinadin Audit Limited
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

BANKERS
HSBC UK Bank Plc
9 The Boulevard
Crawley
RH10 1UT

The Central Board of Finance of the Church of England
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Skipton Building Society
43 Church Street
Reigate
Surrey
RH2 0AE

National Westminster Bank Plc (Redhill)
39 Station Road
Redhill
Surrey
RH1 1QN

ALL CORRESPONDENCE TO PRINCIPAL PLACE OF OPERATIONS:
St Mary's Parish Office
St Mary's Church Centre
Chart Lane
Reigate
Surrey
RH2 7RN
Tel: 01737 221100

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BACKGROUND

St Mary Magdalene Parochial Church Council (PCC) has the responsibility of co-operating with the incumbent in promoting within the ecclesiastical parish the whole mission of the Church of Christ. The PCC is also responsible for the maintenance of our buildings, which include the historic church of St Mary Magdalene (Reigate Parish Church), our Church Centre, the Heath Church and our staff housing.

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission under registration number 1129140.

MEMBERSHIP

Members of the PCC are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as ex officio members. The PCC can also exercise its right to invite co-opted members as it deems fit.

PCC MEMBERSHIP FOR THE YEAR ENDED 31 DECEMBER 2024

Elected Members

Deanery Synod

Miss S Bertlin
Mrs V Booth
Mr G Evans
Mrs P Parry - Licensed Lay Minister
Mrs N Peck
Mr A Prestwood

PCC

Mr T Andrew (to 29.04.24)
Mrs R Beggs (to 29.04.24)
Mr J Bunch (from 29.04.24)
Mr I Capper
Mrs H Chesterton
Mr T Collins (from 29.04.24)
Mr Z Downie (from 29.04.24)
Mrs T Hillsdon (to 29.04.24)
Mrs D Jackson
Mrs B Juntunen (to 29.04.24)
Mrs E Lyth
Mr A Morgan (to 29.04.24)
Mr J Norman (from 29.04.24)
Mrs L Martin (from 29.04.24)
Mr N Pettitt

Churchwardens

Mr L Jackson
Mr N Rayner

Ex Officio Members

Revd R Wilson – Vicar & Chair
Revd B Forbes – Associate Vicar
Revd K Capper – Self Supporting Minister
Revd H Fraser – Self Supporting Minister
Revd S Russell – Associate Vicar (from 12.09.24)

Hon Secretary

Miss S Bertlin

Hon Treasurer

Mr M Randall (from 12.09.2024)

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COMMITTEES

The PCC operates through a number of committees that report to the main PCC meeting from time to time. The PCC members, who are also Trustees for the purpose of charity law, are nominated and elected (other than those holding ex officio positions or who are co-opted) at the Annual Parochial Church Meetings. New members of the PCC are inducted into the workings of the Parochial Church Council through meetings with existing members of the PCC, the Churchwardens, and the Incumbent. Information in relation to matters to be discussed at PCC meetings is circulated to members prior to each meeting. PCC members, who include the Clergy, Wardens and holders of other offices, are considered to be the Key Management Personnel as they are responsible for directing church affairs. All such personnel give of their time freely and receive no remuneration for their service on the PCC directly from St Mary's. Details of PCC members' expenses, other than reimbursements of costs incurred on behalf of the church, and related party transactions are disclosed in the financial statements.

The pay of staff is reviewed annually and normally increased in line with the Diocese of Southwark salary and stipend increases. All staff are paid at or above the Living Wage Foundation minimum wage.

The following committees supported the work of the PCC during the past year:

Standing Committee

The Standing Committee exists to transact the business of the PCC between meetings and may form the agenda for meetings of the PCC. It consists of the incumbent, the Associate Vicars, the Churchwardens, two deputy churchwardens, the Treasurer and may include other co-opted members. The Standing Committee meets on an ad hoc basis as needs arise. There were 6 meetings of the Standing Committee in 2024.

St Mary's Global This committee exists to promote our involvement in the church's mission across the world. The committee is active in encouraging support for our link Mission Partners (serving God around the world), financially, practically, and through prayer. The Committee seeks to ensure that the financial support for our Mission Partners and other mission organisations is appropriate for their needs within the resources available.

Fabric and Facilities Committee

This committee exists to oversee all repairs, maintenance and building works affecting the church, the church centre and PCC owned housing.

Heath Church Committee

This committee exists to oversee and plan the mission and ministry of the Heath Church Community under the responsibility of one of the Clergy team.

Safeguarding Committee

This group meets to make sure that the church is compliant with its safeguarding obligations and follows through on all incidents or issues that relate to safeguarding

St Mary's Local

This is our newest committee and was created to explore and develop the mission, evangelism and social outreach of the church.

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OBJECTIVES AND ACTIVITIES

As a Parish Church within the Church of England's Diocese of Southwark, St Mary's Church (also known as Reigate Parish Church) exists for the benefit of its wider community as well as for those who form part of our week-by-week worshipping community across a number of congregations.

Seeing God change lives

At St Mary's and the Heath, our shared vision is to see God change lives, families, and churches. This is what we long to see happen as we follow Jesus faithfully together, ready for his return.

We commit to faithfully following Jesus, sharing his good news, and living for his coming kingdom.

We draw people into intentional apprenticeship to Jesus by:

- **Reaching out** to a world in need
- **Forming** people into a new identity in Christ
- **Developing** a culture of discipleship
- **Loving** each other as family
- **Giving** ourselves away for the sake of others

As trustees and stewards of God's resources, we have been invited to be part of this exciting journey, investing in and supporting the mission and vision he has laid on our hearts.

The work of the church is wide-ranging. Members of our wider parish community have continued to benefit from the mission and ministry of the church and its members, in a variety of settings and across all age groups. When reviewing these and other activities, the PCC has had due regard to Charity Commission guidance on public benefit.

We are very mindful of the fact that the church could not operate without the generous contributions of its staff and its host of volunteers. We are enormously grateful and indebted to all who contribute in so many ways to the life and health of St Mary's Parish Church with the Heath Church.

ACHIEVEMENTS AND PERFORMANCE

2024 has been a year of **embedding** and **strengthening**. As our community continues to evolve and develop, we have been pleased to welcome and establish **new staff** and **new members** as we have sought to strengthen and extend our youth and children's work, deepen our culture of discipleship, and continue reach out to our community and widen our family life.

As a community where **worship** lies at the heart of all we are, it has been great to see more people involved in leading, and shaping our worship together, not only at **St Mary's** but also at the **Heath church** where the community life and lovingly warm welcome remains so strong. We are noticing that there is a slight uplift in attendance at our earlier 8.30am service, perhaps because the timing appeals to families where one parent can come to worship. The 10.30am service at St Mary's is growing with the numbers of families with younger children is a as significant part of this growth. It has been a joy to see how our 6.30pm has been strengthened by a growing group of younger people committed to worship each week.

Sharing the same themes across our different congregations aims to intentionally build unity and share vision, and in 2024 we have had series on:

- The relevance and impact of the gospel
- Jesus' teaching in the sermon on the mount in anticipation of the coming kingdom
- Israel's exodus journey from slavery to freedom
- Walking with Jesus through every experience of life – its joys and its sorrows.

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Under the leadership of Emily Irving and Mandy Childs we remain so grateful to God for the large number of **children and young people** that attend our services and activities. We have sought to improve our support of children with **special needs**, auditing our programme and culture, and also our monthly **All Together services** which are joyful and vibrant. We give thanks for the huge number of volunteers who work with our children on Sundays and throughout the week, without them we could not offer the wide range of opportunities.

Our **youth work** provision is developing and growing, both numerically and in depth with new leaders offering themselves to be involved. A new Sunday morning youth group meeting in the Vicarage has begun and to see the number of young people attending our evening service and the post-service 'TOAST' gathering grow week by week has been wonderful. The summer Satellites Festival was also a particular highlight and the Girls Brigade, under the leadership of Natalie Watson, remains an important part of our outreach to young people.

Although we didn't appoint a **0-5 Children's Minister** in 2024 volunteer leaders and team members have stepped up and pulled together to maintain and build on what we have achieved in the past. The appointment of **Simon Russell** as our new **Associate Vicar** overseeing **Discipleship and Leadership** will be significant. He is bringing his extensive experience to the role of overseeing all aspects of our children's and youth ministry and following his review of our current needs and opportunities, we look forward to appointing a new 0-5 minister in 2025.

Our vision for **making mature disciples** remains central. Kate Capper has been offering **spiritual direction** to a number of people. As well as Lent Courses and weekly bible studies, there have also been a new **'Seek First'** course, marriage preparation sessions and a Parenting for Faith course. It has been encouraging that the numbers of people meeting mid-week in small groups is on the increase and this has remained a significant part of our community life together. These take place in homes as life groups, as well as in the centre. It is always so encouraging to see the centre buzzing every Wednesday with **Jigsaw**, **Mid-week Communion and Lunch**, and then **Satellites** making use of every room, with new people joining each of them.

Administratively we remain strong. Our finances and systems are constantly reviewed. **Safeguarding** is an area where we have continued to monitor and develop our approach, and we look forward to welcoming a new member to our staff team to take over from Vineeta Chiles who has been such a valued member of the team. We are grateful for the work of our Safeguarding Officers (Jane Melbourne and Leslie Jackson) and we have been working to expand our team in 2025 further strengthening our ability to keep everyone safe.

Maintaining our **buildings** and physical resources is a demanding, although often hidden, part of our church life. It has been so beneficial to have Tim Hyde's input over the last year having taken over from Roy Mundy. We take seriously the need to update and maintain the Centre which is so valued. It was a joy to **celebrate the Church Centre's opening 10 years** ago over a special weekend in November and to host the vibrant Christmas Market once again. It is no surprise that, after 10 solid years of constant use, for both church and community activities, that we have had to spend more on this than usual.

Giving ourselves away to **mission** and **outreach**, both locally and oversees remains a key part of the way we seek to fulfil our purposes. Partnerships with local charities and agencies, which we have supported prayerfully, practically and financially, remain important as does our relationships with our global mission partners. As part of this outreach, we have supported the work of our former Asst. Vicar, Nigel Griffiths and we are so encouraged by the way that the churches in Merstham have blossomed and grown over the last year under his leadership.

Strengthening our own community life and relationships is always vital and we were pleased to be able to advertise a **Weekend Away** planned for October 2025. This will be our

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first Weekend Away for over a decade and we hope will be attended by many in our church family of all ages and stages.

All of church life needs to be underpinned by **prayer**. It has been good to see the number of people attending our monthly prayer meetings, although we would love to see this grow. Our annual Easter Prayer Week, hosted by Emily and young people was also significant.

NUMBERS

Once again, we have been encouraged by our attendance at our Easter and Christmas services – 512 on Easter Day, 948 at our Christmas Carol Services, 1436 over Christmas Eve and Christmas Day. Our average weekly attendance was 295 adults, and 83 under 16. At the APCM in April 2024 there were 522 names on the electoral roll (573 in 2023).

FINANCIAL REVIEW OF THE YEAR

In our budget projections for 2024 we anticipated that our expenditure would exceed income by £61,105 (Unrestricted funds only) therefore creating a budget deficit. The actual 2024 deficit was £55,000 (Unrestricted funds only) so a small improvement against the budget.

The deficit leaves the General Fund Reserve at £253,224 as at 31 December 2024.

Income from donors – Note 2(a)

Compared with 2023, our planned Giving and gifts decreased by £13,720 or 3%. This is explained by a combination of a lower net number of regular donors and several generous donors either reducing their monthly giving or stopping their giving. The general prevailing economic climate and consequent squeeze on household income and expenditure may have also impacted the overall giving.

A Giving campaign took place in early 2024 which did create an uplift in giving but this has not created the positive, longer term impact that we hoped for. A more structured giving campaign is planned for March 2025 which is being supported with practical advice from the diocese.

In 2024 we have recognised £10,000 (2023 £70,000) for legacies that have been bequeathed to St Marys but not yet paid.

We continue to make sure that our giving is tax efficient. There was a contribution of £102,683 to the General Fund as a result of Gift Aid tax refunds.

We are enormously grateful to God for this provision and blessing and to everyone in the church family who has contributed so generously.

Income from church activities – Note 2(b)

Income from the Church Centre and the Church lettings were up c£6,000 from 2023 levels thanks to the efforts of the Operations team. Further activity is taking place to ensure that both of our valuable resources are used fully, but appropriately.

This heading also includes rental of church residential properties, and fees for weddings and funerals.

Expenditure – Grants – Note 3

Payments to Individual Mission Partners amounted to £22,437 (2023 £27,307), a reduction from 2023 as one partnership came to an end in 2024. Grants totalling £48,845 were made to various missional and evangelistic organisations including Tearfund, IJM, Open Doors, Sparkfish, Community Debt Advice and the Children's Society. Full details of all donations, totalling £71,283 (2023 £81,216) are shown at Note 14 to the accounts. The PCC keeps under regular review the amounts given to mission partners and other donations.

Expenditure – Other – Note 3

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In September 2023 the PCC agreed to increase the Diocesan Share for 2024 to £262,000. For 2025, the PCC have agreed a revised contribution of £200,000. Also included under the heading Diocesan Share, for 2024, was £40,805 in respect of the services of one additional member of clergy from September 2023.

Staff costs have increased from £187,481 to £209,592. The principal reason for this is the appointment of a full time Youth Minister and the additional member of clergy who focuses on Community Life. The budgeted expenditure for 2025 will see this figure increase further in line with the strategy agreed by the PCC.

Balance Sheet

Capital expenditure of £16,156 (2023: £3,508) was incurred in 2024. This included audio visual assets, computing equipment and a new door entry system for the church centre.

As in previous years we have used a property valuation website to provide an internal valuation of our 4 residential properties, for Balance Sheet purposes. The value of these properties has increased in 2024 by £50,000 to £1,890,400 (2023 £1,840,400).

2025

We have decided to budget for expenditure to exceed income by £58,052 as we expect many expense headings, particularly staff costs, to increase. We cannot at present foresee these costs being totally matched by increases in income. We do however start the year with adequate reserves (see below), and it seems wise this year to use in part these reserves.

Peggy Caffyn-Tees Legacy

This legacy continues to be fully invested in 4 CCLA funds with a gain of £9,069 bringing the value invested to £352,458. The gain reflects the general upturn in the investment market during 2024. A review of investments has been undertaken in 2024. Income in 2024 from the sum invested amounted to £12,040 (2023: £11,654). During 2024 income of £5,663 was spent (2023: £5,544). The balance carried forward and available for use in future years now stands at £62,188.

The total sum received in 2013/14 was £359,696. Of this amount, £121,589, was restricted for the Heath Church, with £1,384 remaining (2023: £1,384). The other two thirds, initially £238,107, is held on trust by the PCC for an indefinite period with the income only to be used to maintain Peggy's family graves, and for fabric work on the Church.

RISK MANAGEMENT

The PCC has considered the major risks to which the church is exposed including safeguarding children and vulnerable adults (in which regard the PCC follows the Diocese of Southwark Safeguarding procedures in full and has two experienced safeguarding officers to assist it), disability discrimination, data protection, health and safety and fire protection. The Risk Register is reviewed annually by the PCC.

The PCC considers the principal financial risk facing the Church is that expenditure is not matched by income. This risk is managed by the preparation of regular financial statements, now utilising the Xero accounting system and an annual budget which is regularly reviewed and updated.

FUNDRAISING

The Church's fundraising activities comprised a giving campaign which included teaching on Christian giving and invited a response. The majority of the Church's income is derived from standing orders and one-off donations from Church members. Additional contactless giving terminals were purchased for use on Sundays and midweek. The hiring of the Church and Church Centre also provides a good source of income. The Church does not employ outside fundraisers. The Church complies with the principles of the Charities Governance Code.

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FUTURE PLANS

Building on all that has taken place we continue to pray that **2025** will be a year of increasing momentum, where we see a growth in **community**, **connection**, **mission**, and **formation** as we embrace our identity as a community **consecrated** and set apart by God for his purposed.

We remain very mindful of our need to secure our **finances** going forward, raising income to be able to match our vision and sense of calling and we have been planning a 'Living Generously' Church Giving campaign for March.

In line with our strategic priorities, we want to:

Reach out to a world in need:

- Prepare for, and launch, a **'Begin Well'** group for expectant parents in collaboration with local agencies
- Work with other local churches to explore the possibly of launching a new **Debt Advice** service with CAP.
- Build on and develop our outreach to families seeking to appoint a **Younger Children and Families Lead** (0-5 yrs)
- Further embed our approach to social engagement and local mission around the issues of **isolation**, **special needs**, and **families**
- Further teaching and training in **evangelism** enabling us to become more confident to share our faith with our natural networks.
- Further develop our series of **invitational social events** enabling deeper connection and relationship with neighbours and friends.
- Better connecting church members with **opportunities to serve** and engage in projects both within the church and in the wider community

Draw people into a new identity in Christ:

- Run **Alpha Courses** for adults and young people early in the year and see people come to **baptism** and recommitment
- Teach on **identity** and belonging to church and supporting this further through our **weekend away**.
- Preach through the **Gospel of Mark** from Easter through to Advent.

Develop a culture of discipleship:

- Continue to highlight the importance of **prayer** in every area of church life, sharing testimonies and running the 'prayer course'.
- Further develop our **small groups** seeing the level of attendance grow and the number of groups expand.
- Invest in leaders, developing our **leadership pipeline** and providing training opportunities
- Lauch a **'Summer School' of theology**
- Hold a **Weekend Away for all ages**
- Develop our links with New Wine, hosting 'New Wine Network days'.

Love one another as family:

- Continue to develop our **pastoral care** structures and adopt an **Anna Chaplaincy** approach

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- Strengthen and deepen our relationships with each other through our **Big Weekend**

Give ourselves away for the sake of others:

- Strengthen our partnership with **Merstham** as they continue to see God bless the mission of the Merstham Team Ministry.
- Continue to develop our relationships with other Churches and **networks**, locally as well as further afield, as we seek to grow resilient disciples in our secular age.

RESERVES POLICY

It is PCC policy to hold in unrestricted reserves the equivalent of at least one month's budgeted expenditure. It is also our policy to hold sums in reserve for building works arising from the Quinquennial inspection of the Church and for refurbishment of the Church Centre.

The closing balance of £253,224 (2023 £315,014) on Unrestricted General Reserve on 31st December 2024 represents approximately 3-4 months budgeted expenditure in the year 2024. This sum will provide a very helpful buffer if, as is possible, the church is affected by the continuing cost of living crisis and any further reductions in giving.

Reserves		**As at 31 December 2024 £**
Total funds		4,669,362
*Restricted reserves and endowed funds		(462,323)
**Designated funds		(3,953,815)
Free funds		253,224

*funds not available for general purposes of the charity

**funds that are designated or otherwise committed (at 31 December 2024)

Included within the designated reserve total is £3,882,285 which is associated with property assets. These funds can only be realised by disposing of tangible fixed assets.

INVESTMENT POLICY

The charity (through its Trustees) has the power to invest in such stocks, shares, investments and property as deemed fit. The charity has made such investments, principally in relation to the Peggy Caffyn-Tees legacy investments.

On behalf of the PCC on

Signed by:
10 April 2025
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Revd Richard Wilson
Vicar

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (the PCC) are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Opinion

We have audited the financial statements of the Parochial Church Council of St Mary's Church, Reigate (the "PCC") for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion, the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the PCC members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Matters on which we are required to report by exception

In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the PCC members' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of PCC members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members

As explained more fully in the PCC members' responsibilities statement, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC members are responsible for assessing the PCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC members either intend to liquidate the PCC or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment, financial reporting legislation and health and safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

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We determined that the principal risks were related to management bias in accounting estimates, valuation of property, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates such as valuation of property, agreeing financial statement disclosures to underlying supporting documentation, identifying and testing journal entries, reviewing PCC meeting minutes and evaluating the charity' internal controls.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the PCC members, as a body, in accordance Part 4 of the charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the PCC members' those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PCC and the PCC members as a body, for our audit work, for this report, or for the opinions we have formed.

Xeinadin Audit Limited

Xeinadin Audit Limited
Statutory Auditor
Chartered Accountants

Dated: 11 April 2025

Xeinadin Audit Limited is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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Parochial Church Council of **St Mary's Church** Reigate

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2024

Income	**Notes**	**Unrestricted Funds £**	**Restricted Funds £**	**End't Funds £**	**Total 2024**	**Unrestricted Funds £**	**Restricted Funds £**	**End't Funds £**	**Total 2023**
Donations & Legacies	2a	564,181	0	0	564,181	649,924	0	0	649,924
Church Activities	2b	138,767	3,877	0	142,644	126,801	5,933	0	132,734
Investments	2c	12,156	12,437	0	24,593	7,154	12,035	0	19,189
Other Income	2d	4,050	0	0	4,050	0	0	0	0
Total Income		**719,154**	**16,314**	**0**	**735,468**	**783,879**	**17,968**	**0**	**801,847**
Expenditure									
Expenditure - church activities	3	774,154	10,309	0	784,463	749,468	12,534	0	762,002
Total Expenditure		**774,154**	**10,309**	**0**	**784,463**	**749,468**	**12,534**	**0**	**762,002**
Net gains/(losses) Investments				9,407	9,407	0	0	25,397	25,397
Net Income/(Expenditure)		**-55,000**	**6,005**	**9,407**	**-39,588**	**34,411**	**5,434**	**25,397**	**65,242**
Transfers between funds	9	-10,000	10,000	0	0	0	0	0	0
Other recognised gains/(losses)									
Revaluation, tangible fixed assets	5a	50,000	0	0	50,000	(4,800)	0	0	(4,800)
Funds									
Net movement in funds		-15,000	16,005	9,407	10,412	29,611	5,434	25,397	60,442
Funds b/fwd at 1/1/2024		4,222,039	78,544	358,367	4,658,950	4,192,428	73,110	332,970	4,598,508
Funds c/fwd at 31/12/2024		**4,207,039**	**94,549**	**367,774**	**4,669,362**	**4,222,039**	**78,544**	**358,367**	**4,658,950**

All income arises from the continuing activities of the PCC. The PCC had no recognised gains or losses other than those dealt with in the Statement of Financial Activities. The notes on pages 18-25 form part of these accounts.

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Parochial Church Council of **St Mary's Church** Reigate

BALANCE SHEET
31 December 2024

Fixed Assets	**Notes**	**2024 £**	**2023 £**
Tangible fixed assets	5(a)	3,882,285	3,835,495
Investment assets	5(b)	367,774	358,367
		4,250,059	**4,193,862**
Current Assets			
Debtors	6	136,414	116,390
Cash at bank and in-hand		344,720	378,990
		481,134	**495,380**
Liabilities: Amounts falling due within one year			
Creditors	7	(61,831)	(30,292)
Net current assets		**419,303**	**465,088**
Liabilities: Amounts falling due after more than one year			
Creditors		0	0
Net Assets		**4,669,362**	**4,658,950**
Funds			
Unrestricted reserves	9	4,207,039	4,222,039
Restricted reserves	9	94,549	78,544
Endowments	9	367,774	358,367
Total Funds		**4,669,362**	**4,658,950**

Approved by the Parochial Church Council **on 10 April 2025** and signed on its behalf by:

Signed by:
97D47B2E97A64BD...

Revd Richard Wilson
Vicar

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Parochial Church Council of **St Mary's Church** Reigate

STATEMENT OF CASH FLOWS
for the year ended 31 December 2024

	2024 £	2023 £
Cash (used in) / provided by operating activities	**(42,707)**	**(22,000)**
Cash flows from investing activities		
Interest and dividends received	24,593	19,189
Payments to acquire tangible fixed assets	(16,156)	(3,508)
Proceeds on sale of tangible fixed assets	0	0
Payments to acquire fixed asset investments	(10,800)	(5,000)
Proceeds on sale of fixed asset investments	10,800	5,000
Cash (used in) / provided by operating activities	**8,437**	**15,681**
Cash flows from financing activities		
Interest free loans repaid	0	0
Cash (used in) financing activities	**0**	**0**
Net cash inflows/(outflows)	**(34,270)**	**(6,319)**
Cash and cash equivalents at 1 January 2024	378,990	385,309
Cash and cash equivalents as at 31 December 2024	**344,720**	**378,990**
Cash used in operating activities		
Net income/(expenditure)	(39,588)	65,242
Interest and dividends received shown in investing activities	(24,593)	(19,189)
Depreciation	19,366	20,415
(Gain)/loss on disposal of tangible fixed assets	0	1,142
(Gain)/loss on disposal of fixed asset investments	0	0
Other (gains)/losses on investments	(9,407)	(25,397)
(Increase)/Decrease in debtors	(20,024)	(71,757)
(Decrease)/Increase in creditors	31,539	7,544
Cash (used in) / provided by operating activities	**(42,707)**	**(22,000)**

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1. Accounting Policies

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission (number 1129140). Its principal place of operations is: St Mary's Parish Office, St Mary's Church Centre, Chart Lane, Reigate, Surrey RH2 7RN.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

The financial statements have been prepared under the historical cost convention subject to the revaluation of residential properties and investments. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

The financial statements are presented in pounds sterling rounded to the nearest £1.

The PCC meets the definition of a public benefit entity under FRS102.

Going concern
The trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern.

Funds
General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.
Restricted funds are those monies received by the PCC which have been given for a particular purpose.
Endowment funds are funds, the capital of which must be maintained; use of the income arising from investment of the endowment varies according to individual trust purposes.

Income
Donations and legacies
Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received, and the amount of income receivable can be reliably measured.

Other income
Rental income from the letting of church premises is recognised when the rental is receivable.

Income from investments
Dividends are accounted for when receivable, interest is accrued.

Gains and losses on investments
Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

Grants
Grants relating to revenue expenditure are recognised in income in the periods in which the related costs are incurred.

Expenditure
Expenditure is accrued as soon as a liability is incurred. Support and governance costs are included in expenditure on church activities.

Church activities
Most mission grants are payable monthly and are accounted for in the month in respect of which they are payable. Other mission grants are accounted for when a decision to make payment has been taken. The Diocesan parish share is accounted for when payable.

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Fixed Assets

Land and buildings and church and church centre fittings

Consecrated and benefice property is excluded from the accounts by s10 (2) (a) of the Charities Act 2011. Residential properties used by the PCC in undertaking its activities (i.e. staff housing) have been included in tangible fixed assets at their estimated market value. The Church Centre has been included at its cost at the year end. The Heath Church is also included as an asset. No depreciation has been provided on land and buildings as the PCC has adopted a policy of maintaining properties to a standard that prolongs their lives and enhances their residual values. No value is placed on moveable church furnishings held by the churchwardens on a special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All maintenance expenditure incurred during the year on consecrated or benefice buildings and on church and church centre fittings continues to be written off as expenditure in the Statement of Financial Activities (SOFA). Fixtures and equipment costing more than £500 are capitalised and depreciated over their useful life which varies from 4 years to 40 years depending on the asset.

Investments

Investments are valued at market value at 31 December. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year and are shown as a component of net income.

Current Assets

Gift Aid recoverable and other debtors are included at the amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash and sums placed on deposit available on demand.

Creditors and provisions

Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical accounting estimates and judgements

In the application of the church's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. Income

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
(a) Donations and legacies						
Planned giving and gifts	443,121	0	443,121	456,841	0	456,841
Income tax recovery (Gift Aid)	102,683	0	102,683	97,126	0	97,126
Legacies	10,000	0	10,000	83,959	0	83,959
Offertories	109	0	109	572	0	572
Heath Church	7,716	0	7,716	7,558	0	7,558
Other income from donors	552	0	552	3,868	0	3,868
	564,181	**0**	**564,181**	**649,924**	**0**	**649,924**

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	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
(b) Church activities						
Rental Income	94,230	0	94,230	86,318	0	86,318
Youth Income	13,671	0	13,671	11,449	0	11,449
Girls Brigade Income	0	3,877	3,877	0	5,933	5,933
Hospitality & events	18,847	0	18,847	15,492	0	15,492
Sundry Income	12,019	0	12,019	13,542	0	13,542
	138,767	**3,877**	**142,644**	**126,801**	**5,933**	**132,734**
(c) Investments						
Interest and dividends	**12,156**	**12,437**	**24,593**	**7,154**	**12,035**	**19,189**
(d) Other Income						
Grants	**4,050**	**0**	**4,050**	**0**	**0**	**0**
Total income	**719,154**	**16,314**	**735,468**	**783,879**	**17,968**	**801,847**

3. Expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Church activities						
Grants (see Note 14)						
Mission Partners	50,353	0	50,353	55,223	0	55,223
Other mission & donations	20,930	0	20,930	25,993	0	25,993
	71,283	**0**	**71,283**	**81,216**	**0**	**81,216**
Other						
Diocese - share & salary	302,805	0	302,805	270,699	0	270,699
Fees – weddings & funerals	5,676	0	5,676	5,182	0	5,182
Admin & support staff	128,521	0	128,521	127,823	0	127,823
Clergy expenses	5,692	0	5,692	9,491	0	9,491
Clergy housing	12,085	0	12,085	21,936	0	21,936
Music ministry	41,382	0	41,382	35,990	0	35,990
Youth & children's ministry	73,578	0	73,578	52,604	0	52,604
Girls' Brigade	0	4,122	4,122	0	6,294	6,294
Repairs and cleaning	22,393	5,663	28,056	22,686	5,544	28,230
Insurance, Church & Centre	13,203	0	13,203	12,679	0	12,679
Other church activities	20,842	524	21,366	27,190	0	27,190
Governance – Audit fees	7,598	0	7,598	7,200	0	7,200
Administrative	19,853	0	19,853	21,578	0	21,578
Utilities & other expenses	29,877	0	29,877	32,779	696	33,475
Depreciation	19,366	0	19,366	20,415	0	20,415
Total expenditure	**774,154**	**10,309**	**784,463**	**749,468**	**12,534**	**762,002**

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4. Staff Costs

	2024 £	2023 £		2024	2023
Wages & Salaries	196,755	175,394	Average number of employees - full time equivalent (FTE)	7	6
Social Security	11,045	7,680	Average no. of employees	11	9
Pension	4,990	4,407			
	212,790	**187,481**			

Expenses reimbursed to PCC members and payments made to third parties on their behalf in the year totalled £2,625 (2023: £5,567). These were mainly in respect of housing, travel and Internet access. These payments were received by or on behalf of 2 (2023: 3) PCC members. No employee received employee benefits of more than £60,000 (2023 Nil). Remuneration of family members of the PCC amounted to nil (2023 £17,024)

5. Fixed assets for use by the PCC

	Freehold/Leasehold Property £	Fixtures & Equipment £	Total £
(a) Tangible fixed assets			
Cost or Valuation			
At 1 January 2024	3,697,661	292,522	3,990,183
Additions	0	16,156	16,156
Disposals	0	(1,505)	(1,505)
Revaluation of properties	50,000	0	50,000
At 31 December 2024	**3,747,661**	**307,193**	**4,054,834**
Depreciation			
At 1 January 2024	0	154,688	154,688
Charge for the year	0	19,366	19,336
Disposals	0	(1,505)	(1,505)
At 31 December 2024	**0**	**172,549**	**172,549**
Net Book Value			
At 31 December 2024	**3,747,661**	**134,624**	**3,882,285**
At 31 December 2023	**3,697,661**	**137,834**	**3,835,495**

Tangible fixed assets comprise the following freehold/leasehold land and buildings held as assets by the PCC:

i) **63 Chart Lane (Freehold), 9 Lymden Gardens (Freehold) and Flat 11 Monks Court, Reigate (Leasehold)**
These properties are held in trust for the PCC of St Mary's and the full maintenance and insurance costs are the responsibility of the PCC.

ii) **3 St Clair Close, Reigate (Freehold)**
The parish has a 20% interest in this property, the remaining 80% being owned by the diocese. The PCC is responsible for 20% of the maintenance and insurance costs.

iii) **Church Centre, Chart Lane, Reigate (Freehold)**
The land and buildings are owned by the PCC who have responsibility for maintaining and insuring the property.

iv) **Heath Church, Flanchford Road, Reigate (Freehold)**
The land and buildings are owned by the PCC who have responsibility for maintaining and insuring the property.

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The Heath Church has been included in the accounts since 2023. It is not valued in these accounts as no cost records are available. Any original costs are unlikely to be material or would already have been depreciated to an immaterial carrying value.

Residential properties are included in the Balance Sheet at their estimated market value using a property valuation website. The Church Centre is included at cost.

(b) Investments		
Listed Investments	**2024 £**	**2023 £**
Market value at 1st January	358,367	332,970
Additions	10,800	5,000
Disposals	(10,240)	(4,662)
Unrealised gains (losses) in the year	8,847	25,059
Market value at 31st December	**367,774**	**358,367**
Historic cost	261,773	258,365

The historical cost of the Graveyard and Parish Trust investments is not known and cannot be traced as these investments were donated or acquired many years ago. The historical cost of the Caffyn-Tees Endowment Investments is £261,773

6. Debtors

	2024 £	**2023 £**
Income Tax recoverable	29,113	29,609
Other debtors	96,288	81,623
Prepayments	11,013	5,158
	136,414	**116,390**

7. Liabilities: amounts falling due within one year

	2024 £	**2023 £**
Other creditors	48,516	29,767
Deferred Income (Events and venue bookings paid in advance)	13,315	525
	61,831	**30,292**

8. Analysis of net assets by fund

	Unrestricted funds £	**Restricted funds £**	**Endowment funds £**	**2024 £**	**Unrestricted funds £**	**Restricted funds £**	**Endowment funds £**	**2023 £**
Fixed Assets	3,882,285	0	367,774	4,250,059	3,835,495	0	358,367	4,193,862
Current Assets	386,585	94,549	0	481,134	416,836	78,544	0	495,380
Current Liabilities	(61,831)	0	0	(61,831)	(30,292)	0	0	(30,292)
	4,207,039	**94,549**	**367,774**	**4,669,362**	**4,222,039**	**78,544**	**358,367**	**4,660,950**

9. Analysis of fund movements during the year

2024	**Bal b/fwd 1 Jan 2024 £**	**Income £**	**Expenditure £**	**Other gains / (losses) £**	**Transfers £**	**31 December 2024**
Unrestricted reserves						
General Fund	315,014	719,154	(754,788)	0	(26,156)	253,224
Capital	3,835,495	0	(19,366)	50,000	16,156	3,882,285

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2024	Bal b/fwd 1 Jan 2024 £	Income £	Expenditure £	Other gains / (losses) £	Transfers £	31 December 2024
Church Centre	50,000	0	0	0	0	50,000
Quinquennial	21,530	0	0	0	0	21,530
	4,222,039	**719,154**	**(774,154)**	**50,000**	**(10,000)**	**4,207,039**
Restricted reserves						
Graveyard Trusts	3,558	101	0	0	0	3,659
Parish Trusts	7,419	296	0	0	0	7,715
Caffyn-Tees - St Marys	55,811	12,040	(5,663)	0	0	62,188
Caffyn-Tees - Heath	1,384	0	0	0	0	1,384
Easter Project	5,354	0	(524)	0	0	4,830
The Heath Church	0	0	0	0	10,000	10,000
Girls Brigade	5,018	3,877	(4,122)	0	0	4,773
	78,544	**16,314**	**(10,309)**	**0**	**10,000**	**94,549**
Endowments						
Graveyard Trusts	4,353	0	0	98	0	4,451
Parish Trusts	10,625	0	0	240	0	10,865
Caffyn-Tees – St Marys	343,389	0	0	9,069	0	352,458
	358,367	**0**	**0**	**9,407**	**0**	**367,774**
Total Funds	**4,658,950**	**735,468**	**(784,463)**	**59,407**	**0**	**4,669,362**

2023	Bal b/fwd 1 Jan 2023 £	Income £	Expenditure £	Other gains / (losses) £	Transfers £	31 December 2023
Unrestricted reserves						
General Fund	262,554	783,879	(729,053)	0	(2,366)	315,014
Capital	3,858,344	0	(20,415)	(4,800)	2,366	3,835,495
Church Centre	50,000	0	0	0	0	50,000
Quinquennial	21,530	0	0	0	0	21,530
	4,192,428	**783,879**	**(749,468)**	**(4,800)**	**0**	**4,222,039**
Restricted reserves						
Graveyard Trusts	3.472	86	0	0	0	3,558
Parish Trusts	7,127	292	0	0	0	7,419
Caffyn-Tees - St Marys	49,701	11,654	(5,544)	0	0	55,811
Caffyn-Tees - Heath	2,080	0	(696)	0	0	1,384
Easter Project	5,354	0	0	0	0	5,354
Girls Brigade	5,376	5,936	(6,294)	0	0	5,018
	73,110	**17,968**	**(12,534)**	**0**	**0**	**78,544**
Endowments						
Graveyard Trusts	3,986	0	0	367	0	4,353
Parish Trusts	9,731	0	0	894	0	10,625
Caffyn-Tees – St Marys	319,253	0	0	24,136	0	343,389
	332,970	**0**	**0**	**25,397**	**0**	**358,367**
Total Funds	**4,598,508**	**801,847**	**(762,002)**	**20,597**	**0**	**4,658,950**

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Unrestricted Funds comprise:

(a) **General Reserve**, which contains that part of the PCC's income which is freely available for spending.
(b) **Capital Reserve**, which represents the value of invested income (principally in freehold and leasehold properties) which would become available for spending when realised.
(c) **Church Centre Reserve**, an unrestricted reserve, which comprises income set aside by the PCC to meet future refurbishment costs relating to the church centre.
(d) **Quinquennial Reserve**, which contains income set aside by the PCC to meet the costs of repairs to the church buildings identified by the Quinquennial (five-yearly) inspection.

Restricted Funds comprise:

(a) **Graveyard Trusts**, which contain income from endowment funds to maintain named graves.
(b) **Parish Trusts**, which contain income from endowment funds for specific purposes e.g. care of the poor in the Parish.
(c) **Easter Project Fund**, which contains gifts restricted for use in this community project.
(d) **Caffyn-Tees Fund (St Mary's),** which contains income from the endowment fund to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.
(e) **Caffyn-Tees Fund (Heath),** which contains a legacy which can only be used for Heath Church general purposes.
(f) **Girls' Brigade Reserve**, which contains gifts restricted for use by the Girls' Brigade.
(g) **The Heath Church,** which contains a legacy which can only be used for Heath Church

Endowment Funds comprise:

(a) **The Graveyard Trusts**, which are permanent endowments, the income from which is used for maintenance of named graves.
(b) **The Parish Trusts**, which are permanent endowments, the income from which is used for specified purposes e.g. for the care of the poor in the Parish.
(c) **Caffyn-Tees Trust (St Mary's),** which is a permanent endowment, the income from which is to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.

No transfers were made from the General Fund to the Church Centre Reserve. There has been a movement of £16,156 from the General Fund to the Capital Reserve representing capital expenditure described above. There has been a transfer of £10,000 from the General Fund to a new restricted fund for the Heath Church. This transfer represents a legacy specifically bequeathed to the Heath Church

10. Taxation

The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

11. Related Party Transactions

PCC members are considered to be related parties and the total employee benefits received by them are set out in note 4 above. PCC members are not remunerated, except as detailed in Note 4.

During the year, donations totalling £69,957 (2023: £71,704) were received from PCC members.

Trustees and individual liability insurance is covered under the Public Liability section of our church insurance.

A grant of £13,827 (2023 £13,827) was given to P & A Guiness, a relative of PCC member E. Lyth.

12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are payable:

	2024 £	2023 £
Within one year	1,320	1,320

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After one but within five years	660	1,860
	1,980	**3,180**
The operating lease charges for the year were:		
Hire of plant and machinery	1,320	1,320

13. Defined contribution scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represent contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £4,990 (2023: £4,407).

14. Mission Partner Grants

	2024 £	**2023 £**
St Mary's Global – Mission Partners		
P & J Fresard – Wycliffe Bible Translators	8,610	8,610
P & A Guiness – Africa Inland Mission	13,827	13,827
H Burningham / H.Kisakye - CMS (to August 2023)	-	4,870
	22,437	**27,307**
St Mary's Global – Mission and Evangelism		
Tearfund	12,146	12,116
International Justice Ministry	8,610	8,610
Open Doors	9,116	8,610
Bible Society	329	307
CMS	320	267
	30,520	**29,910**
St Mary's Local – Mission and Evangelism		
Community Debt Advice	5,500	6,000
Sparkfish – Schools Youth Worker	8,457	8,939
St Matthew's Foodbank	164	2,251
St Bedes Secondary & Reigate Parish Primary Schools	2,120	3,473
Bishop of Southwarks Lent Fund	160	-
The Children's Society	1,366	-
Royal British Legion	285	-
Barnabas	-	405
Welcare	-	2,638
Youthscape – Satellites	273	300
St Catherine's Hospice	-	255
Other		-262
	18,325	**23,999**
Total Mission Grants from unrestricted funds	**71,283**	**81,216**

15. Capital Commitments

No material capital commitments have been made in 2024 that have not been recognised in these accounts.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY MAGDALENE, R

England & Wales - Charity number 1129140

Accounts

ST MARY'S CHURCH, REIGATE

ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE PAROCHIAL CHURCH COUNCIL

for the year ended

31 December 2023

Charity Registration No: 1129140

INCUMBENT
Vicar
The Revd Richard Wilson
The Vicarage
76 Church Street
Reigate
Surrey
RH2 OSP

AUDITOR
Jacob Cavenagh & Skeet, Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

BANKERS
HSBC UK Bank Plc
9 The Boulevard
Crawley
RH10 1UT

The Central Board of Finance of the Church of England
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Skipton Building Society
43 Church Street
Reigate
Surrey
RH2 0AE

National Westminster Bank Plc (Redhill)
39 Station Road
Redhill
Surrey
RH1 1QN

ALL CORRESPONDENCE TO PRINCIPAL PLACE OF OPERATIONS:
St Mary's Parish Office
St Mary's Church Centre
Chart Lane
Reigate
Surrey
RH2 7RN
Tel: 01737 221100

BACKGROUND

St Mary Magdalene Parochial Church Council (PCC) has the responsibility of co-operating with the incumbent in promoting within the ecclesiastical parish the whole mission of the Church of Christ. The PCC is also responsible for the maintenance of our buildings, which include the historic church of St Mary Magdalene (Reigate Parish Church), our Church Centre, the Heath Church and our staff housing.

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission under registration number 1129140.

MEMBERSHIP

Members of the PCC are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as ex officio members. The PCC can also exercise its right to invite co-opted members as it deems fit.

PCC MEMBERSHIP FOR THE YEAR ENDED 31 DECEMBER 2023

Elected Members

Deanery Synod

Miss S Bertlin (from 24.04.23)
Mrs V Booth (from 24.04.23)
Mr P Chesterton (to 24.04.23)
Mr P Darwent (to 24.04.23)
Mr G Evans
Miss E Gunn (to 24.04.23)
Mr M Johnson (to 24.04.23)
Mrs P Parry - Licensed Lay Minister
Mrs N Peck (from 24.04.23)
Mr A Prestwood (from 24.04.23)

PCC

Mr T Andrew
Mrs R Beggs
Mrs A Brown (to 24.04.23)
Mr I Capper (from 24.04.23)
Mrs H Chesterton (from 24.04.23)
Mr M Hetherington (to 24.04.23)
Mrs T Hillsdon
Mrs D Jackson (from 24.04.23)
Mrs B Juntunen
Mrs E Lyth
Mrs G Moore (to 24.04.23)
Mr A Morgan
Mr N Pettitt
Mrs M Wood (to 24.04.23)

Churchwardens

Mr L Jackson
Mr T Lumsden (to 24.04.23)
Mr N Rayner (from 24.04.23)

Ex Officio Members

Revd R Wilson – Vicar & Chair
Revd B Forbes – Associate Vicar (from 11.09.23)
Revd K Capper – Self Supporting Minister
Revd H Fraser – Self Supporting Minister
Revd N Griffiths – Associate Vicar (to 11.09.23)

Hon Secretary

Miss S Bertlin

COMMITTEES

The PCC operates through a number of committees that report to the main PCC meeting from time to time. The PCC members, who are also Trustees for the purpose of charity law, are nominated and elected (other than those holding ex officio positions or who are co-opted) at the Annual Parochial Church Meetings. New members of the PCC are inducted into the workings of the Parochial Church Council through meetings with existing members of the PCC, the Churchwardens, and the Incumbent. Information in relation to matters to be discussed at PCC meetings is circulated to members prior to each meeting. PCC members, who include the Clergy, Wardens and holders of other offices, are considered to be the Key Management Personnel as they are responsible for directing church affairs. All such personnel give of their time freely and receive no remuneration for their service on the PCC directly from St Mary's. Details of PCC members' expenses, other than reimbursements of costs incurred on behalf of the church, and related party transactions are disclosed in the financial statements.

The pay of staff is reviewed annually and normally increased in line with the Diocese of Southwark salary and stipend increases. All staff are paid at or above the Living Wage Foundation minimum wage.

The following committees supported the work of the PCC during the past year:

Standing Committee

The Standing Committee exists to transact the business of the PCC between meetings and may form the agenda for meetings of the PCC. It consists of the incumbent, the Associate Vicars, the Churchwardens, two deputy churchwardens, the Treasurer and may include other co-opted members. The Standing Committee meets on an ad hoc basis as needs arise. There were 6 meetings of the Standing Committee in 2023.

St Mary's Global

This committee exists to promote our involvement in the church's mission across the world. The committee is active in encouraging support for our link Mission Partners (serving God around the world), financially, practically, and through prayer. The Committee seeks to ensure that the financial support for our Mission Partners and other mission organisations is appropriate for their needs within the resources available.

Fabric and Facilities Committee

This committee exists to oversee all repairs, maintenance and building works affecting the church, the church centre and PCC owned housing.

Heath Church Committee

This committee exists to oversee and plan the mission and ministry of the Heath Church Community under the responsibility of one of the Clergy team.

Safeguarding Committee

This group meets to make sure that the church is compliant with its safeguarding obligations and follows through on all incidents or issues that relate to safeguarding

St Mary's Local

This is our newest committee and was created to explore and develop the mission, evangelism and social outreach of the church.

OBJECTIVES AND ACTIVITIES

As a Parish Church within the Church of England's Diocese of Southwark, St Mary's Church (also known as Reigate Parish Church) exists for the benefit of its wider community as well as for those who form part of our week-by-week worshipping community across a number of congregations.

Our vision (what we hope to see) is to see God changing lives, families, and churches again and again.

Our mission (what we seek to do) is to make whole life disciples of all ages, to create and support communities of people who worship God with their whole lives, and to model and reproduce this as widely as possible.

Our strategy (how we seek to do this) is to draw people into intentional apprenticeship to Jesus through:

- reaching out to a world in need,
- drawing people into a new identity in Christ,
- developing a culture of discipleship,
- loving one another as family, and
- giving ourselves away for the sake of others.

Given this, the work of the church is wide-ranging. Members of our wider parish community have continued to benefit from the mission and ministry of the church and its members, in a variety of settings and across all age groups. When reviewing these and other activities, the PCC has had due regard to Charity Commission guidance on public benefit.

We are very mindful of the fact that the church could not operate without the generous contributions of its staff and its host of volunteers. We are enormously grateful and indebted to all who contribute in so many ways to the life and health of St Mary's Parish Church with the Heath Church.

ACHIEVEMENTS AND PERFORMANCE

2023 was a year of **transition** marked in large part by a number of key staffing changes – Richard Wilson taking a sabbatical, Nigel and Gen Griffiths moving to Merstham to help revitalise the parish along with a number of church members, Kate Capper stepping down as Associate Vicar, Ben Forbes being appointed and starting as our new Head of Community Life, Martin Saunders stepping down from leading our Youth Work with Emily Irving being appointed and starting as our full-time Youth Minister, and Mandy Childs starting her work as Children's Minister (6-11yrs). Esther Lyth joined Leslie Jackson, Nick Rayner and Becky Beggs in the warden team and there was a new PCC with a number of new members.

This level of change within our leadership has been significant. There is the inevitable discomfort that comes from change, and it is natural that new staff and post holders all need time to become established. However, there have also been many positives. The process of creating new roles or reimagining old ones has not only brought renewed clarity and focus among the leadership around discipleship, community building and mission, but also brought new energy into church life that will bear fruit in the coming years.

Giving ourselves away It has been wonderful to see the vision of sending a group of people with Nigel and Gen Griffiths to join in with the mission in Merstham come to fruition. This was supported with financial and practical support of the Diocese and the Central Church, and our investment has been multiplied many times over. It has been really exciting to see how this group has grafted into the life of the parish and how God has blessed the whole community even in a short time.

Investing in children, young people, and parents

With so many young people and children engaged in the church and with so many families being part of our community, the PCC has continued to be very keen to see our investment in this area of ministry increase. For many years we have been delighted to see our children's and youth work flourish. Post-covid, and with changes of staff and volunteers, there has been a transition to new models of working and meeting these needs. This continues to be an area of importance for us, and we have decided to increase our investment in our provision of oversight and leadership.

Being able to appoint a full-time Youth Minister (to build on all that Martin Saunders grew) alongside two part time Children's Ministers has been a major achievement. Emily Irving joined the team in the summer leading the group who went to the Satellites Festival, and she has already brought much. It has been so good to see new Children's team leaders join and grow under Mandy Childs leadership and others step up following Gen's move to Merstham.

We have also been working on placing parents at the centre of our strategy for the discipleship of our children and young people. This found expression in how we shaped our new roles, and in the initiation of a Parenting for Faith course. There is still much to learn about how to embed this ethos into our church life. We were excited to be able to advertise for a new Associate Vicar to lead and oversee this as part of a wider brief of Leadership Development and Discipleship Growth and look forward to seeing Simon Russell taking up that post in 2024.

Reaching our town and area
As a church, especially since Covid, we have been taking time to reflect deeply on our approach to mission and evangelism. The Alpha Course in January to March was well attended and fruitful. It was a delight to see the way a relatively young life group grew in maturity and faith as they took leadership of the course, and to see baptisms and the subsequent growth of new life groups arise out of the process, all of which continue to grow strongly. The progress of St Mary's Local has been slower than we had desired, but it will be exciting to see the momentum and activity grow in 2024 and 2025.

Building our community life
The development of a new full-time 'Head of Community Life' role, to build on and expand on Kate Capper's work, has been another important achievement. Creating a full-time role is a significant investment and shows how important this area of life is for us as church. It has been a joy to welcome Ben Forbes into this role. Ben's role is extensive, but it is focused on developing how we grow our sense of being family together with the idea that families do four things – they look after each other (Pastoral Care), they spend time together (Social activities), they are a place to belong and grow (Life groups) and they make sure everyone is healthy (Emotionally Healthy Church).

Spiritual Formation
Richard's sabbatical was another moment of change and transition, both for him personally as our Vicar and senior leader, and for the wider church. The fruits of this time will perhaps be seen over years rather than months, but it is already evident that it was a time of growth for both him and for the church. All Christian ministry is founded on an inner life with God that has its origin in the gospel, and as Richard seeks to deepen his own spiritual life in response to the gospel, he is also determined that the spiritual formation becomes the hallmark of our life together. The development of the renewed Associate Vicar role further expresses this commitment.

We continue to put a high priority on teaching, where our focus this year was on the early chapters of Genesis, the meaning and identity of Jesus' ministry, and exploring how our future hope shapes life in the present.

Worship and Ministry
One of our primary callings, as the body of Christ, is to be a community that gathers for worship, and we continue to invest in and develop our corporate times of worship and prayer. Attendance on Sundays fluctuates through the month and over the year and, while this is inevitable, clearer communication around the importance of gathering has been developed (Come | Belong | Serve | Give). In part this is a response to the Covid years where our patterns and commitments changed. St Mary's continues to offer a range of opportunities for worship at different times and in different styles. It has been good to see

growth at the Heath Church, and the 8.30am services and to see our mid-week communion service thrive. The numbers involved in our music ministry has grown and the sense of team is also strengthening. Given how technology is now an expected and routine part of our services, this has required extra attention, resources, and time.

Numbers
Once again, we have been encouraged by our attendance at our Easter and Christmas services – 583 on Easter Day, 1082 at our Christmas Carol Services, 1707 over Christmas Eve and Christmas Day. Our average weekly attendance was 305 adults, and 82 under 16. At the APCM in April 2023 there were 573 names on the electoral roll (544 in 2022).

FINANCIAL REVIEW OF THE YEAR

In our budget projections for 2023 we anticipated that, before charging depreciation, our General Fund expenditure would exceed income by £23,131, therefore creating a budget deficit.

In the event, the 2023 Income exceeded expenditure, by £34,411 (Unrestricted funds only). While planned giving was £20,212 below budget the overall surplus was achieved due to a £70,000 accrual for two legacies. Accounting practice dictates their inclusion in the 2023 accounts, but this amount is conservative due to the inclusion of property sales in the estate valuations. Without this accrual there would have been a deficit of £35,589.

The surplus leaves the General Fund Reserve at £315,014 as at 31 December 2023.

Income from donors – Note 2(a)

Compared with 2022, our planned Giving decreased by £38,711 or 8%. In part this can be explained by some large donors moving with Reverend Nigel Griffiths to All Saints Merstham but also the general prevailing economic climate and consequent squeeze on household income and expenditure may have impacted the overall giving.

A soft Giving campaign took place during the year including the highlighting of additional 'tap' machines. The results of this style of campaign were not as expected, including a large reduction in one-off donations, and therefore a more formal giving campaign was planned for March 2024.

The number of contactless donation machines in church and the centre has increased and, while the income from these is still only a small part of general giving, they also allow us to gather 'tap' payments for other church activities and one-off appeals.

Over 300 regular donations from standing orders etc. are currently being received, many from couples. Tax efficient giving was lower than budget and 2022 levels, but still contributed £97,126 to the General Fund as a result of Gift Aid tax refunds.

We are enormously grateful to God for this provision and blessing and to everyone in the church family who has contributed so generously.

Income from church activities – Note 2(b)

Income from the Church Centre and the Church were up c£13,000 against budget thanks to the efforts of the Operations team. Further activity is taking place to ensure that both of our valuable resources are used fully, but appropriately.

This heading also includes rental of church residential properties, and fees for weddings and funerals.

Expenditure – Grants – Note 3

Payments to Individual Mission Partners amounted to £27,307, a reduction from 2022 as one partnership came to an end in August 2023. The grants, of £54,171 to various missional and evangelistic organisations including Tearfund, IJM, Open Doors, Sparkfish and Welcare. Full details of all donations, totalling £81,478 (2022 £83,786) are shown at Note 14 to the

accounts. The PCC keeps under regular review the amounts given to mission partners and other donations.

Expenditure – Other – Note 3

In September 2022 the PCC agreed to increase the Diocesan share for 2023 by 3% or £7,374 to £253,194. For 2024, the PCC have agreed a further increase of 3.3% to £261,549 which exceeds the cost, including overheads, of two full time clergy posts. Also included under the heading Diocesan Share, for 2023, was £17K in respect of the services of one additional member of clergy from September 2023.

Staff costs have increased from £154,539 to £187,481. The principal reason for this is the appointment of a full time Youth Minister and the additional member of clergy who focuses on Community Life. The budgeted expenditure for 2024 will see this figure increase further in line with the strategy agreed by the PCC.

Balance Sheet

Capital expenditure of £3,508 (2022: £6,696) was incurred in 2023. This included audio visual assets, kitchen and computing equipment.

As in previous years we have used a property valuation website to provide an internal valuation of our 4 residential properties, for Balance Sheet purposes. The value of these properties has decreased slightly in 2023 by £4,800 to £1,840,400 (2022 £1,845,200).

2024

We have decided to budget for expenditure, before depreciation, to exceed income by £46,102 as we expect many expense headings, particularly staff costs, to increase. We cannot at present foresee these costs being totally matched by increases in income. We do however start the year with a high level of reserves (see below), and it seems wise this year to use in part these reserves.

Peggy Caffyn-Tees Legacy

This legacy continues to be fully invested in 4 CCLA funds with a gain of £24,136 bringing the value invested to £343,389 this compares favourably to 2022 when there was a loss of £53,482 and total invested £319,253. The gain reflects the general upturn in the investment market during 2023. A review of investments has been undertaken in 2023. Income in 2023 from the sum invested amounted to £11,654 (2022: £11,526). During 2023 income of £5,544 was spent (2022: £3,859). The balance carried forward and available for use in future years now stands at £55,811.

The total sum received in 2013/14 was £359,696. Of this amount, £121,589, was restricted for the Heath Church, with £1,384 remaining (2022: £2,080). The other two thirds, initially £238,107, is held on trust by the PCC for an indefinite period with the income only to be used to maintain Peggy's family graves, and for fabric work on the Church.

RISK MANAGEMENT

The PCC has considered the major risks to which the church is exposed including safeguarding children and vulnerable adults (in which regard the PCC follows the Diocese of Southwark Safeguarding procedures in full and has two experienced safeguarding officers to assist it), disability discrimination, data protection, health and safety and fire protection. The Risk Register is reviewed annually by the PCC.

The PCC considers the principal financial risk facing the Church is that expenditure is not matched by income. This risk is managed by the preparation of regular financial statements, now utilising the new Xero accounting system and an annual budget which is regularly reviewed and updated.

FUNDRAISING

The Church's fundraising activities comprised a giving campaign which included teaching on Christian giving and invited a response. The majority of the Church's income is derived from standing orders and one-off donations from Church members. Additional contactless giving terminals were purchased for use on Sundays and midweek. The hiring of the Church and Church Centre also provides a good source of income. The Church does not employ outside fundraisers. The Church complies with the principles of the Charities Governance Code.

FUTURE PLANS

If 2023 was a year of transition, we anticipate and pray that 2024 and 2025 will be years of increasing momentum, where we see a growth in community, connection, mission, and formation.

We are mindful of our need to secure our finances going forward, raising income to be able to match our vision and sense of calling.

In line with our strategic priorities, we want to:

Reach out to a world in need:

- Firmly communicate, embed and implement our approach to social engagement and local mission
- Grow confident disciples able to share their faith naturally by teaching and training

Draw people into a new identity in Christ:

- Welcome and induct new members into church life following Alpha
- Draw people into deeper commitment marked by baptism
- Further develop our 'newcomer's flow'

Develop a culture of discipleship:

Teach on the grace of God as the foundation of our gospel and community life

- Strengthen a core group participating in our monthly prayer meeting, and renew our approach to our annual 24/7 prayer week in the lead up to Easter
- Strengthen our small groups - increasing leadership, engagement, transformation, and participation
- Encourage families and individuals to participate in summer festivals of New Wine and Satellites
- Develop our approach to family discipleship, and spiritual formation across the whole church

Love one another as family:

- Deepen belonging and developing pastoral care;
- Launch a new termly publication called 'Spotlight' to share stories that celebrates our community life together;
- Establish and develop an annual diary of social events that build community and fellowship;
- Continue to develop our support of small groups;
- Plan for a whole church weekend away together in 2025.

Give ourselves away for the sake of others:

- Continue to maintain our partnership with Merstham and continue to explore partnership with the parish of Nine Elms in Battersea;
- Continue to deepen our partnerships with others in mission overseas and strengthen our communication and engagement within the church family;
- Develop our relationships with other Churches and networks as we seek to grow resilient disciples in our secular age.

RESERVES POLICY

It is PCC policy to hold in unrestricted reserves the equivalent of at least one month's budgeted expenditure. It is also our policy to hold sums in reserve for building works arising from the Quinquennial inspection of the Church and for refurbishment of the Church Centre.

The closing balance of £315,014 (2022 £265,554) on Unrestricted General Reserve on 31st December 2023 represents approximately 4 months budgeted expenditure in the year 2024. This sum will provide a very helpful buffer if, as is possible, the church is affected by the continuing cost of living crisis and any further reductions in giving.

Reserves		As at 31 December 2023 £
Total funds		4,658,950
*Restricted reserves and endowed funds		(436,911)
**Designated funds		(3,907,025)
Free funds		£315,014

*funds not available for general purposes of the charity

**funds that are designated or otherwise committed (at 31 December 2023)

Included within the designated reserve total is £3,835,495 which is associated with property assets. These funds can only be realised by disposing of tangible fixed assets.

INVESTMENT POLICY

The charity (through its Trustees) has the power to invest in such stocks, shares, investments and property as deemed fit. The charity has made such investments, principally in relation to the Peggy Caffyn-Tees legacy investments.

On behalf of the PCC on 9th April 2024

Revd Richard Wilson
Vicar

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (the PCC) are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of the Parochial Church Council of St Mary's Church, Reigate (the "PCC") for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion, the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the PCC members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the PCC members' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of PCC members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members

As explained more fully in the PCC members' responsibilities statement, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC members are responsible for assessing the PCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC members either intend to liquidate the PCC or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment, financial reporting legislation and health and safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, valuation of property, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates such as valuation of property, agreeing financial statement disclosures to underlying supporting documentation, identifying and testing journal entries, reviewing PCC meeting minutes and evaluating the charity' internal controls.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the PCC members, as a body, in accordance Part 4 of the charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the PCC members' those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PCC and the PCC members as a body, for our audit work, for this report, or for the opinions we have formed.

Jacob, Cavenagh + Skeet

Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey, SM1 2SW

Dated: 9 April 2024.

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

Parochial Church Council of St Mary's Church Reigate

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2023

All income arises from the continuing activities of the PCC. The PCC had no recognised gains or losses other than those dealt with in the Statement of Financial Activities. The notes on pages 18-25 form part of these accounts.

Income

	Notes	Unrestricted Funds £	Restricted Funds £	End't Funds £	Total 2023	Unrestricted Funds £	Restricted Funds £	End't Funds £	Total 2022
Donations & Legacies	2a	649,924	0	0	649,924	617,455	12	0	617,467
Church Activities	2b	126,801	5,933	0	132,734	125,321	5,431	0	130,752
Investments	2c	7,154	12,035	0	19,189	1,668	11,905	0	13,573
Other Income	2d	0	0	0	0	3,400	0	0	3,400
Total Income		**783,879**	**17,968**	**0**	**801,847**	**747,844**	**17,348**	**0**	**765,192**
Expenditure									
Expenditure - church activities	3	749,468	12,534	0	762,002	699.630	10,214	0	709,844
Total Expenditure		**749,468**	**12,534**	**0**	**762,002**	**699,630**	**10,214**	**0**	**709,844**
Net gains/(losses) Investments		0	0	25,397	25,397	0	0	(55,287)	(55,287)
Net Income/(Expenditure)		**34,411**	**5,434**	**25,397**	**65,242**	**48,214**	**7,134**	**(55,287)**	**61**
Transfers between funds	9	0	0	0	0	0	0	0	0
Other recognised gains/(losses)									
Revaluation, tangible fixed assets	5a	(4,800)	0	0	(4,800)	83,000	0	0	83,000
Funds									
Net movement in funds		29,611	5,434	25,397	60,442	131,214	7,134	(55,287)	83,061
Funds b/fwd at 1/1/2023		4,192,428	73,110	332,970	4,598,508	4,061,214	65,976	388,257	4,515,447
Funds c/fwd at 31/12/2023		**4,222,039**	**78,544**	**358,367**	**4,658,950**	**4,192,428**	**73,110**	**332,970**	**4,598,508**

All income arises from the continuing activities of the PCC. The PCC had no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

Parochial Church Council of St Mary's Church Reigate

BALANCE SHEET

31 December 2023

Fixed Assets	Notes	2023 £	2022 £
Tangible fixed assets	5(a)	3,835,495	3,858,344
Investment assets	5(b)	358,367	332,970
		4,193,862	4,191,314
Current Assets			
Debtors	6	116,390	44,633
Cash at bank and in-hand		378,990	385,309
		495,380	429,942
Liabilities: Amounts falling due within one year			
Creditors	7	(30,292)	(22,748)
Net current assets		465,088	407,194
Liabilities: Amounts falling due after more than one year			
Creditors		0	0
Net Assets		4,658,950	4,598,508
Funds			
Unrestricted reserves	9	4,222,039	4,192,428
Restricted reserves	9	78,544	73,110
Endowments	9	358,367	332,970
Total Funds		**4,658,950**	**4,598,508**

Approved by the Parochial Church Council **on 9th April 2024** and signed on its behalf by:

Revd Richard Wilson
Vicar

Parochial Church Council of St Mary's Church Reigate

STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	2023 £	2022 £
Cash (used in) / provided by operating activities	**(22,000)**	**80,094**
Cash flows from investing activities		
Interest and dividends received	19,189	13,573
Payments to acquire tangible fixed assets	(3,508)	(6,696)
Proceeds on sale of tangible fixed assets	0	0
Payments to acquire fixed asset investments	(5,000)	(3,300)
Proceeds on sale of fixed asset investments	5,000	3,300
Cash (used in) / provided by operating activities	**15,681**	**6,877**
Cash flows from financing activities		
Interest free loans repaid	0	0
Cash (used in) financing activities	**0**	**0**
Net cash inflows/(outflows)	**(6,319)**	**86,971**
Cash and cash equivalents at 1 January 2023	385,309	298,338
Cash and cash equivalents as at 31 December 2023	**378,990**	**385,309**
Cash used in operating activities		
Net income/(expenditure)	65,242	61
Interest and dividends received shown in investing activities	(19,189)	(13,573)
Depreciation	20,415	20,458
(Gain)/loss on disposal of tangible fixed assets	1,142	(3)
(Gain)/loss on disposal of fixed asset investments	0	0
Other (gains)/losses on investments	(25,397)	55,287
(Increase)/Decrease in debtors	(71,757)	24,001
(Decrease)/Increase in creditors	7,544	(6,137)
Cash (used in) / provided by operating activities	**(22,000)**	**80,094**

1. Accounting Policies

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission (number 1129140). Its principal place of operations is: St Mary's Parish Office, St Mary's Church Centre, Chart Lane, Reigate, Surrey RH2 7RN.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

The financial statements have been prepared under the historical cost convention subject to the revaluation of residential properties and investments. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

The financial statements are presented in pounds sterling rounded to the nearest £1.

The PCC meets the definition of a public benefit entity under FRS102.

Going concern
The trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern.

Funds
General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.
Restricted funds are those monies received by the PCC which have been given for a particular purpose.
Endowment funds are funds, the capital of which must be maintained; use of the income arising from investment of the endowment varies according to individual trust purposes.

Income
Donations and legacies
Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received, and the amount of income receivable can be reliably measured.

Other income
Rental income from the letting of church premises is recognised when the rental is receivable.

Income from investments
Dividends are accounted for when receivable, interest is accrued.

Gains and losses on investments
Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

Grants
Grants relating to revenue expenditure are recognised in income in the periods in which the related costs are incurred.

Expenditure
Expenditure is accrued as soon as a liability is incurred. Support and governance costs are included in expenditure on church activities.

Church activities
Most mission grants are payable monthly and are accounted for in the month in respect of which they are payable. Other mission grants are accounted for when a decision to make payment has been taken. The Diocesan parish share is accounted for when payable.

Fixed Assets

Land and buildings and church and church centre fittings

Consecrated and benefice property is excluded from the accounts by s10 (2) (a) of the Charities Act 2011. Residential properties used by the PCC in undertaking its activities (i.e. staff housing) have been included in tangible fixed assets at their estimated market value. The Church Centre has been included at its cost at the year end. The Heath Church is also included as an asset. No depreciation has been provided on land and buildings as the PCC has adopted a policy of maintaining properties to a standard that prolongs their lives and enhances their residual values. No value is placed on moveable church furnishings held by the churchwardens on a special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All maintenance expenditure incurred during the year on consecrated or benefice buildings and on church and church centre fittings continues to be written off as expenditure in the Statement of Financial Activities (SOFA). Fixtures and equipment costing more than £500 are capitalised and depreciated over their useful life which varies from 4 years to 40 years depending on the asset.

Investments

Investments are valued at market value at 31 December. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year and are shown as a component of net income.

Current Assets

Gift Aid recoverable and other debtors are included at the amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash and sums placed on deposit available on demand.

Creditors and provisions

Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical accounting estimates and judgements

In the application of the church's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. Income

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
(a) Donations and legacies						
Planned giving and gifts	456,841	0	456,841	495,552	0	495,552
Income tax recovery (Gift Aid)	97,126	0	97,126	103,346	12	103,358
Legacies	83,959	0	83,959	1,900	0	1,900
Offertories	572	0	572	1,789	0	1,789
Heath Church	7,558	0	7,558	8,453	0	8,453
Other income from donors	3,868	0	3,868	6,415	0	6,415
	649,924	**0**	**649,924**	**617,455**	**12**	**617,467**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
(b) Church activities						
Rental Income	86,318	0	86,318	75,446	0	75,446
Youth Income	11,449	0	11,449	15,325	0	15,325
Girls Brigade Income	0	5,933	5,933	0	5,431	5,431
Hospitality & events	15,492	0	15,492	14,155	0	14,155
Sundry Income	13,542	0	13,542	20,395	0	20,395
	126,801	5,933	132,734	125,321	5,431	130,752
(c) Investments						
Interest and dividends	7,154	12,035	19,189	1,668	11,905	13,573
(d) Other Income						
Grants	0	0	0	3,400	0	3,400
Total income	783,879	17,968	801,847	747,844	17,348	765,192

3. Expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Church activities						
Grants (see Note 14)						
Mission Partners	55,223	0	55,223	27,867	0	27.867
Other mission & donations	25,993	0	25,993	55,919	0	55,919
	81,216	0	81,216	83,786	0	83,786
Other						
Diocese - share & salary	270,699	0	270,699	265,904	0	265,904
Fees – weddings & funerals	5,182	0	5,182	7,927	0	7,927
Admin & support staff	127,823	0	127,823	106,863	0	106,863
Clergy expenses	9,491	0	9,491	5,898	0	5,898
Clergy housing	21,936	0	21,936	9,802	0	9,802
Music ministry	35,990	0	35,990	26,259	0	26,259
Youth & children's ministry	52,604	0	52,604	50,514	0	50,514
Girls' Brigade	0	6,294	6,294	0	6,280	6,280
Repairs and cleaning	22,686	5,544	28,230	19,986	3,859	23,845
Insurance, Church & Centre	12,679	0	12,679	11,874	0	11,874
Other church activities	27,190	0	27,190	27,165	75	27,240
Governance – Audit fees	7,200	0	7,200	6,000	0	6,000
Administrative	21,578	0	21,578	22,856	0	22,856
Utilities & other expenses	32,779	696	33,475	34,338	0	34,338
Depreciation	20,415	0	20,415	20,458	0	20,458
Total expenditure	749,468	12,534	762,002	699,630	10,214	709,844

4. Staff Costs

	2023 £	2022 £		2023	2022
Wages & Salaries	175,394	146,206	Average number of employees - full time equivalent (FTE)	6	6
Social Security	7,680	4,820	Average no. of employees	9	12
Pension	4,407	3,513			
	187,481	**154,539**			

Expenses reimbursed to PCC members and payments made to third parties on their behalf in the year totalled £5,567 (2022: £7,431). These were mainly in respect of housing, books, food, kitchenware and Internet access. These payments were received by or on behalf of 3 (2022: 3) PCC members. No employee received employee benefits of more than £60,000 (2022 Nil). Remuneration of family members of the PCC amounted to £17,024 (2022 £38,876)

5. Fixed assets for use by the PCC

	Freehold/Leasehold Property £	Fixtures & Equipment £	Total £
(a) Tangible fixed assets			
Cost or Valuation			
At 1 January 2023	3,702,461	295,077	3,997,538
Additions	0	3,508	3,508
Disposals	0	(6063)	(6063)
Revaluation of properties	(4,800)	0	(4,800)
At 31 December 2023	**3,697,661**	**292,522**	**3,990,183**
Depreciation			
At 1 January 2023	0	139,194	139,194
Charge for the year	0	20,415	20,415
Disposals	0	(4,921)	(4,922)
At 31 December 2023	**0**	**154,688**	**154,688**
Net Book Value			
At 31 December 2023	**3,697,661**	**137,834**	**3,835,495**
At 31 December 2022	3,702,461	155,883	3,858,344

Tangible fixed assets comprise the following freehold/leasehold land and buildings held as assets by the PCC:

i) **63 Chart Lane (Freehold), 9 Lymden Gardens (Freehold) and Flat 11 Monks Court, Reigate (Leasehold)**
These properties are held in trust for the PCC of St Mary's and the full maintenance and insurance costs are the responsibility of the PCC.

ii) **3 St Clair Close, Reigate (Freehold)**
The parish has a 20% interest in this property, the remaining 80% being owned by the diocese. The PCC is responsible for 20% of the maintenance and insurance costs.

iii) **Church Centre, Chart Lane, Reigate (Freehold)**
The land and buildings are owned by the PCC who have responsibility for maintaining and insuring the property.

iv) **Heath Church, Flanchford Road, Reigate (Freehold)**
The land and buildings are owned by the PCC who have responsibility for maintaining and insuring the property.

The Heath Church has, after investigations with the Diocese, been included in the accounts for the first time in 2023. It is not valued in these accounts as no cost records are available. Any original costs are unlikely to be material or would already have been depreciated to an immaterial carrying value.

Residential properties are included in the Balance Sheet at their estimated market value using a property valuation website. The Church Centre is included at cost.

(b) Investments		
Listed Investments	**2023 £**	**2022 £**
Market value at 1st January	332,970	388,257
Additions	5,000	3,300
Disposals	(4,662)	(3,750)
Unrealised gains (losses) in the year	25,059	(54,837)
Market value at 31st December	**358,367**	**332,970**
Historic cost	258,365	256,064

The historical cost of the Graveyard and Parish Trust investments is not known and cannot be traced as these investments were donated or acquired many years ago. The historical cost of the Caffyn-Tees Endowment Investments is £258,365.

6. Debtors

	2023 £	2022 £
Income Tax recoverable	29,609	32,458
Other debtors	81,623	8,515
Prepayments	5,158	3.660
	116,390	**44,633**

7. Liabilities: amounts falling due within one year

	2023 £	2022 £
Other creditors	29,767	21,998
Deferred Income	525	750
	30,292	**22,748**

8. Analysis of net assets by fund

	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 £	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 £
Fixed Assets	3,835,495	0	358,367	4,193,862	3,858,344	0	332,970	4,191,314
Current Assets	416,836	78,544	0	495,380	356,832	73,110	0	429,942
Current Liabilities	(30,292)	0	0	(30,292)	(22,748)	0	0	(22,748)
	4,222,039	**78,544**	**358,367**	**4,660,950**	**4,192,428**	**73,110**	**332,970**	**4,598,508**

9. Analysis of fund movements during the year

2023	Bal b/fwd 1 Jan 2022 £	Income £	Expenditure £	Other gains / (losses) £	Transfers £	31 December 2023
Unrestricted reserves						
General Fund	262,554	783,879	(729,053)	0	(2,366)	315,014
Capital	3,858,344	0	(20,415)	(4,800)	2,366	3,835,495

2023	Bal b/fwd 1 Jan 2022 £	Income £	Expenditure £	Other gains / (losses) £	Transfers £	31 December 2023
Church Centre	50,000	0	0	0	0	50,000
Quinquennial	21,530	0	0	0	0	21,530
	4,192,428	**783,879**	**(749,468)**	**(4,800)**	**0**	**4,222,039**
Restricted reserves						
Graveyard Trusts	3.472	86	0	0	0	3,559
Parish Trusts	7,127	292	0	0	0	7,419
Caffyn-Tees - St Marys	49,701	11,654	(5,544)	0	0	55,811
Caffyn-Tees - Heath	2,080	0	(696)	0	0	1,384
Easter Project	5,354	0	0	0	0	5,354
Girls Brigade	5,376	5,936	(6,294)	0	0	5,018
	73,110	**17,968**	**(12,534)**	**0**	**0**	**78,545**
Endowments						
Graveyard Trusts	3,986	0	0	367	0	4,353
Parish Trusts	9,731	0	0	894	0	10,625
Caffyn-Tees – St Marys	319,253	0	0	24,136	0	343,389
	332,970	**0**	**0**	**25,397**	**0**	**358,367**
Total Funds	**4,598,508**	**801,847**	**(762,002)**	**20,597**	**0**	**4,658,950**

2022	Bal b/fwd 1 Jan 2022 £	Income £	Expenditure £	Other gains / (losses) £	Transfers	31 December 2022
Unrestricted reserves						
General Fund	200,581	747,844	(679,172)	0	(6,699)	262,554
Capital	3,789,103	0	(20,458)	83,000	6,699	3,858,344
Church Centre	50,000	0	0	0	0	50,000
Quinquennial	21,530	0	0	0	0	21,530
	4,061,214	**747.844**	**(699,630)**	**83,000**	**0**	**4,192,428**
Restricted reserves						
Graveyard Trusts	3,386	86	0	0	0	3,472
Parish Trusts	6,834	293	0	0	0	7,127
Caffyn-Tees - St Marys	42,034	11,256	(3,859)	0	0	49,701
Caffyn-Tees - Heath	2,080	0	0	0	0	2,080
Easter Project	5,428	0	(74)	0	0	5,354
Girls Brigade	6,214	5,443	(6.281)	0	0	5,376
	65,976	**17,348**	**(10,214)**	**0**	**0**	**73,110**
Endowments						
Graveyard Trusts	4,511	0	0	(525)	0	3,986
Parish Trusts	11,011	0	0	(1,280)	0	9,731
Caffyn-Tees – St Marys	372,735	0	0	(53,482)	0	319,253
	388,257	**0**	**0**	**(55,287)**	**0**	**332,970**
Total Funds	**4,515,447**	**765,192**	**(709,844)**	**27,713**	**0**	**4,598,508**

Unrestricted Funds comprise:

(a) **General Reserve**, which contains that part of the PCC's income which is freely available for spending.

(b) **Capital Reserve**, which represents the value of invested income (principally in freehold and leasehold properties) which would become available for spending when realised.
(c) **Church Centre Reserve**, an unrestricted reserve, which comprises income set aside by the PCC to meet future refurbishment costs relating to the church centre.
(d) **Quinquennial Reserve**, which contains income set aside by the PCC to meet the costs of repairs to the church buildings identified by the Quinquennial (five-yearly) inspection.

Restricted Funds comprise:
(a) **Graveyard Trusts**, which contain income from endowment funds to maintain named graves.
(b) **Parish Trusts**, which contain income from endowment funds for specific purposes e.g. care of the poor in the Parish.
(c) **Easter Project Fund**, which contains gifts restricted for use in this community project, which is currently under review.
(d) **Caffyn-Tees Fund (St Mary's)**, which contains income from the endowment fund to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.
(e) **Caffyn-Tees Fund (Heath)**, which contains a legacy which can only be used for Heath Church general purposes.
(f) **Girls' Brigade Reserve**, which contains gifts restricted for use by the Girls' Brigade.

Endowment Funds comprise:
(a) **The Graveyard Trusts**, which are permanent endowments, the income from which is used for maintenance of named graves.
(b) **The Parish Trusts**, which are permanent endowments, the income from which is used for specified purposes e.g. for the care of the poor in the Parish.
(c) **Caffyn-Tees Trust (St Mary's)**, which is a permanent endowment, the income from which is to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.

No transfers were made was made from the General Fund to the Church Centre Reserve. There has been a movement of £2,366 from the General Fund to the Capital Reserve representing capital expenditure described above.

10. Taxation

The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

11. Related Party Transactions

PCC members are considered to be related parties and the total employee benefits received by them are set out in note 4 above. PCC members are not remunerated, except as detailed in Note 4.

During the year, donations totalling £71,704 (2022: £74,728) were received from PCC members.

Trustees and individual liability insurance is covered under the Public Liability section of our church insurance.

The grant of £13,827 (2022 £13,169) was given to P & A Guiness, a relative of PCC member E. Lyth.

Mr & Mrs J Brown paid rent of £3,200 (2022 £9,600) for the use of a church property. Mrs Brown was a trustee for the full year 2022 but only a trustee for part of the year in 2023.

12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are payable:

	2023 £	2022 £
Within one year	1,320	1,272
After one but within five years	1,860	3,180
	3,180	4,452

The operating lease charges for the year were:		
Hire of plant and machinery	1,320	1,272

13. Defined contribution scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represent contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £4,407 (2022: £3,741).

14. Mission Partner Grants

	2023 £	2022 £
St Mary's Global – Mission Partners		
P & J Fresard – Wycliffe Bible Translators	8,610	8,200
P & A Guiness – Africa Inland Mission	13,827	13,169
H Burningham / H.Kisakye - CMS (to August 2023)	4,870	6,498
	27,307	**27,867**
St Mary's Global – Mission and Evangelism		
Tearfund	12,116	12,815
International Justice Ministry	8,610	8,200
Open Doors	8,610	7,877
DEC Ukraine appeal	0	2,357
UNHCR	0	560
Bible Society	307	335
CMS	267	251
	29,910	**32,395**
St Mary's Local – Mission and Evangelism		
Community Debt Advice	6,000	6,000
Sparkfish – Schools Youth Worker	8,939	6,239
St Matthew's Foodbank	2,251	3,845
St Bedes Secondary & Reigate Parish Primary Schools	3,473	3,318
Sanctuary Foundation (Ukraine)	0	1,923
The Children's Society	0	1,529
Royal British Legion	0	305
Barnabas	405	278
Welcare	2,638	87
Youthscape – Satellites	300	0
St Catherine's Hospice	255	0
	24,261	**23,524**
Total Mission Grants from unrestricted funds	**81,478**	**83,786**

15. Capital Commitments

A capital commitment of £12,470 (plus VAT) in respect of replacement of the Church Centre door access and security system was committed to in Quarter 4 2023.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY MAGDALENE, R

England & Wales - Charity number 1129140

Accounts

ST MARY'S CHURCH, REIGATE

ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE PAROCHIAL CHURCH COUNCIL

for the year ended

31 December 2022

Charity Registration No: 1129140

INCUMBENT
Vicar
The Revd Richard Wilson
The Vicarage
76 Church Street
Reigate
Surrey
RH2 OSP

AUDITOR

Jacob Cavenagh & Skeet, Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

BANKERS

HSBC UK Bank Plc
9 The Boulevard
Crawley
RH10 1UT

The Central Board of Finance of the Church of England
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Skipton Building Society
43 Church Street
Reigate
Surrey
RH2 0AE

National Westminster Bank Plc (Redhill)
39 Station Road
Redhill
Surrey
RH1 1QN

ALL CORRESPONDENCE TO PRINCIPAL PLACE OF OPERATIONS:

St Mary's Parish Office
St Mary's Church Centre
Chart Lane
Reigate
Surrey
RH2 7RN
Tel: 01737 221100

Parochial Church Council of St Mary's Church Reigate
ANNUAL REPORT FOR 2022

BACKGROUND

St Mary Magdalene Parochial Church Council (PCC) has the responsibility of co-operating with the incumbent in promoting within the ecclesiastical parish the whole mission of the Church of Christ. The PCC is also responsible for the maintenance of our buildings, which include the historic church of St Mary Magdalene (Reigate Parish Church), our Church Centre, the Heath Church and our staff housing.

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission under registration number 1129140.

MEMBERSHIP

Members of the PCC are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as ex officio members. The PCC can also exercise its right to invite co-opted members as it deems fit.

PCC MEMBERSHIP FOR THE YEAR ENDED 31 DECEMBER 2022

Elected Members
Deanery Synod

Mr P Chesterton
Mr P Darwent
Mr G Evans
Miss E Gunn
Mr M Johnson
Mrs B Juntunen (from 20.01.2022)
Licensed Lay Minister
Mrs P Parry

PCC
Mr T Andrew
Mrs R Beggs
Mrs A Brown
Mrs K Cornish (to 26.04.2022)
Mr M Hetherington (from 26.04.2022)
Mrs T Hillsdon
Mrs E Lyth (from 26.04.2022)
Mrs G Moore
Mr A Morgan
Mr N Pettitt (co-opted as PCC Treasurer from 12.05.2022)
Mr N Rayner
Mr A Rubie (to 26.04.2022)
Mrs M Wood

Church Wardens
Mr L Jackson
Mr T Lumsden

Ex Officio Members
Revd R Wilson – Vicar & Chair
Revd K Capper - Associate Vicar
Revd H Fraser - Self Supporting Minister
Revd N Griffiths - Associate Vicar
Revd E Gilmour – Curate (to 07.09.2022)

Hon Secretary
Miss S Bertlin

COMMITTEES

The PCC operates through a number of committees that report to the main PCC meeting from time to time. The PCC members, who are also Trustees for the purpose of charity law, are nominated and elected (other than those holding ex officio positions or who are co-opted) at the Annual Parochial Church Meetings. New members of the PCC are inducted into the workings of the Parochial Church Council through meetings with existing members of the PCC, the Churchwardens and the Incumbent. Information in relation to matters to be discussed at PCC meetings is circulated to members prior to each meeting. PCC members, who include the Clergy, Wardens and holders of other offices, are considered to be the Key Management Personnel as they are responsible for directing church affairs. All such personnel give of their time freely and receive no remuneration for their service on the PCC directly from St Mary's. Details of PCC members' expenses, other than reimbursements of costs incurred on behalf of the church, and related party transactions are disclosed in Notes 4 and 11 to the financial statements.

The pay of staff is reviewed annually and normally increased in line with the Diocese of Southwark salary and stipend increases. All staff are paid at or above the Living Wage Foundation minimum wage.

The following committees supported the work of the PCC during the past year:

Standing Committee

The Standing Committee exists to transact the business of the PCC between meetings and may form the agenda for meetings of the PCC. It consists of the incumbent, the Associate Vicars, the Churchwardens, two deputy churchwardens, the Treasurer and may include other co-opted members. The Standing Committee meets on an ad hoc basis as needs arise. There were 6 meetings of the Standing Committee in 2022.

St Mary's Global

This committee exists to promote our involvement in the church's mission across the world. The committee is active in encouraging support for our link Mission Partners (serving God around the world), financially, practically, and through prayer. The Committee seeks to ensure that the financial support for our Mission Partners and other mission organisations is appropriate for their needs within the resources available.

Fabric and Facilities Committee

This committee exists to oversee all repairs, maintenance and building works affecting the church, the church centre and PCC owned housing.

Heath Church Committee

This committee exists to oversee and plan the mission and ministry of the Heath Church Community under the responsibility of one of the Clergy team.

Safeguarding Committee

This group meets to make sure that the church is compliant with its safeguarding obligations and follows through on all incidents or issues that relate to safeguarding

St Mary's Local

This group was established in 2022 as a group to explore and develop the mission and social outreach of the church.

OBJECTIVES AND ACTIVITIES

As a Parish Church within the Church of England's Diocese of Southwark, St Mary's Church (also known as Reigate Parish Church) exists for the benefit of its wider

community as well as for those who form part of our week-by-week worshipping community across a number of congregations.

Our vision is to see God changing lives, families, and churches again and again.

Our mission is to make whole life disciples of all ages, to create and support communities of people who worship God with their whole lives, and to model and reproduce this as widely as possible.

Our strategy is to draw people into intentional apprenticeship to Jesus through:

- reaching out to a world in need,
- drawing people into a new identity in Christ,
- developing a culture of discipleship,
- loving one another as family, and
- giving ourselves away for the sake of others.

The work of the church is wide-ranging, and members of our wider parish community have continued to benefit from the mission and ministry of the church and its members, in a variety of settings and across all age groups.

When reviewing these and other activities, the PCC has had due regard to Charity Commission guidance on public benefit.

The church could not operate without the generous contributions of its staff and its host of volunteers, and we are enormously grateful and indebted to all who contribute in so many ways to the life and health of St Mary's Parish Church with the Heath Church.

ACHIEVEMENTS AND PERFORMANCE

With our vision to see God change lives, and our mission to make disciples continuing to set our direction as a church family, 2022 was a year of steady **awakening**, and progress after the testing years of the pandemic. The 'covid-years' have undoubtedly impacted us a church, disrupting attendance, belonging, outreach and connection. While our 'reach' as a church remains quite wide, the depth of our relationships and the strength of our engagement has become thinner than we would want it to be. We acknowledge that, for a number of reasons - some known, and others hidden - the number **gathering for worship** each week has declined. Some people have left the church or drifted away, and this is a sadness. However, over the course of this year we have also noticed a steady renewal and growth on Sundays with new people joining us, getting involved and bringing new energy.

We are so grateful for all those who serve each week to make worship and community possible, giving up time to help on all kinds of teams. As attendance is still somewhat fragile and irregular, we have been praying for, and encouraging a renewed commitment to gathering for worship in the church, seeking a steady building of momentum. From the leadership there has been a strong call to churchwide prayer and over the course of the year a new pattern emerged of a **monthly prayer meeting** supported by the worship team. These are growing in significance as we seek God together for the next chapter our life together.

As a church we have always wanted to respond to the needs and challenges of those in need. In 2022, following the invasion of **Ukraine**, we responded to the influx of refugees into the UK with energy, creativity, and intentionality. Working in partnership with the Local Authority and other charities and agencies, we quickly became a gathering point for hosts and refugee families, both from within the church and the wider community. A small team co-ordinated this work and it has been wonderful to see the way God has used us in blessing and helping others in such challenging times.

We have learned so much from this experience and seeking to reflect even more deeply about **poverty alleviation and social action**, a small group in the church (St Mary's Local) was established. This group has been on a significant journey developing a set of principles

to shape our future mission and in the coming year they will share their learning and vision with the wider church for further shaping and discernment.

In response to the **'Living in Love and Faith'** initiative of the wider Church of England, some teaching was offered on Sundays, as we continued to explore together how to live faithfully in a post-Christian culture, especially around the issue of sexuality. This issue is being discussed at every level of church life, including at the General Synod which will be gathering to discern next steps in the coming year. This issue touches our lives in powerful and important ways, and it will be important to open up opportunities for learning and sharing together as we move forward.

Perhaps some of the most significant changes in our church life in 2022 has been the shifts in the **staff team** with Ali Foulkes, Charles Merritt, Erin Gilmour, moving on and Kate Capper changing role. Josh Brown was appointed Head of Worship Culture and Mandy Childs was appointed Children's Minister (6-11's). Although we were unsuccessful in appointing a Head of Family Discipleship, we remain committed to seeing parents supported as the key disciplers of their children and young people and anticipate investing in this in the coming years. We are grateful for all that Ali, Charles and Erin brought us and we are delighted that Kate will continue to use her ministerial gifts in Spiritual Direction here. A new Head of Community Life role was agreed ready for an appointment in early 2023.

The summer of 2022 was busy with the launch of the first **Summer Satellites Festival**, held in Peterborough under Martin Saunders' leadership. It was joy to see so many from our church family support this and being on team, and the impact among our young people was significant.

Behind the scenes, from September, Richard and Nigel began more intentionally exploring the possibility of us **church planting** in the coming years and many discussions with the Diocese began to taken place. Very quickly God has opened doors and we have been invited to send a group of us, under Nigel's leadership, to graft into All Saint's Church in Merstham in September 2023 as part of a larger strategic development plan of the Diocese as a way of pioneering mission in the Merstham estate. The calling on us to join in God's mission in new ways has become very clear and it will be exciting to see where this leads.

At the APCM in April 2022 there were 544 names on the electoral roll (508 2021).

FINANCIAL REVIEW OF THE YEAR

In our budget projections for 2022 we anticipated that, before charging depreciation, our General Fund expenditure would exceed income by £27,112, therefore creating a budget deficit. In the event, we were pleased to see the 2022 income exceeded expenditure, excluding depreciation, by £68,672. The reason for this stronger than budget financial performance was that while planned giving was in line with budget, one off donations exceeded budget by £29,387 and expenditure was below budget with a number of headings under budget This surplus is added to the General fund Reserve, but Capital Expenditure of £6,699 is deducted leaving the General Fund Reserve at £262,554 at 31 December 2022.

Income from donors – Note 2(a)

Compared with 2021, our planned Giving increased by £28,384 or 6%. A Stewardship campaign took place at the start of the year, the results of which were very positive. We again received a number of very generous single donations. In total these one-off donations totalled £54,387. The number of contactless donation machines in church and the centre has increased to 4. While the income from these is still only a small part of general giving, they also allow us to gather 'tap' payments for other church activities and one-off appeals. Almost 300 regular donations from standing orders etc are currently being received, many from couples. Our high level of tax efficient giving has been maintained with £103,346 being received by the General Fund as a result of Gift Aid tax refunds. We are enormously grateful

to God for this provision and blessing and to everyone in the church family who has contributed so generously.

Income from church activities – Note 2(b)

Income from the Church Centre bookings at £45,190, returned to pre-pandemic figure. Lettings of the Church at £ 11,656. These figures are double the 2021 income.

This heading also includes rental of church residential properties, where the rentals of £18,600 were received. Net income from fees for weddings, funerals, etc was £7,882.

Expenditure – Grants – Note 3

Payments to Mission Partners amounted to £27,867, a reduction from 2021 as two partnerships came to the end of their agreed 3-year support term. The giving, of £55,919 to various missional and evangelistic organisations including Tearfund, IJM, Open Doors, Sparkfish and the DEC Ukraine Appeal replaced the individual support. Full details of all donations, totalling £83,786 (2021 £70,201) are shown at Note 14 to the accounts. The PCC keeps under regular review the amounts given to mission partners and other donations.

Expenditure – Other - Note 3

In September 2021 the PCC agreed to increase the Diocesan share for 2022 by 2% or £4,820 to £245,820. For 2023, the PCC have agreed a further increase of 3% to £253,194 which exceeds the cost, including overheads, of our own two full time clergy posts. Also included under the heading Diocesan Share, for 2022, was £20,084 in respect of the part-time services of one additional clergy.

Staff costs have increased slightly from £146,632 to £154,539. The principal reason for this is the employment of a part-time Finance Assistant. With the plans in place for 2023 these are expected to increase further.

Balance Sheet

Capital expenditure of £6,696 (2021: £28,384) was incurred in 2022. This included audio visual assets and kitchen and other church equipment.

As in previous years we have used a property valuation website to provide an internal valuation of our 4 residential properties, for Balance Sheet purposes. The value of these properties has increased in 2022 by 4.7% to £1,845,200

2023

We have decided to budget for expenditure, before depreciation, to exceed income by £4,755 as we expect many expense headings, particularly staff costs, to increase. We cannot at present foresee these costs being totally matched by increases in income. We do however start the year with a high level of reserves (see below) and it seems wise this year to use in part these reserves

Peggy Caffyn-Tees Legacy

The total sum received in 2013/14 was £359,696. Of this amount, £121,589, was restricted for the Heath Church, with a remaining balance of £2080 (2021: £2080). The other two thirds, initially £238,107, is held on trust by the PCC for an indefinite period with the income only to be used to maintain Peggy's family graves, and for fabric work on the Church. This sum has been fully invested in 4 CCLA funds with a loss of £53,482 in 2022, bringing the value invested to £319,253 (2021: £372,735). The loss reflects the general downturn in the investment market during 2022. A review of investments will be undertaken in 2023. Income in 2022 from the sum invested amounted to £11,526 (2021: £11,018). During 2022 £3,859 was spent (2021: £1,830). The balance carried forward and available for use in future years now stands at £49,701.

RISK MANAGEMENT

The PCC has considered the major risks to which the church is exposed including safeguarding children and vulnerable adults (in which regard the PCC follows the Diocese

of Southwark Safeguarding procedures in full and has two experienced safeguarding officers to assist it), disability discrimination, data protection, health and safety and fire protection. The Risk Register is reviewed annually by the PCC.

The PCC considers the principal financial risk facing the Church is that expenditure is not matched by income. This risk is managed by the preparation of regular financial statements, now utilising the new Xero accounting system and an annual budget which is regularly reviewed and updated.

FUNDRAISING

The Church's fundraising activities comprised a giving campaign which included teaching on Christian giving and invited a response. The majority of the Church's income is derived from standing orders and one-off donations from Church members. Additional contactless giving terminals were purchased for use on Sundays and midweek. The hiring of the Church and Church Centre also provides a good source of income. The Church does not employ outside fundraisers. The Church complies with the principles of the Charities Governance Code.

FUTURE PLANS

If 2022 was a year of steady awakening, we anticipate (and pray) that 2023 will be a year of continued **consolidation** (as new staff are appointed and take up their roles) and **sending** (as we prepare to send a team to graft into Merstham).

We are mindful of the need to plan well for Richard to take a **sabbatical**, and for Nigel to lead and galvanise the church in anticipation for a **church planting initiative** in September, and for the **new staff** appointments to be carried out well.

At the time of writing, it will be clear that by the end of the year a completely new ministry team will be in place with Ben Forbes as Head of Community Life, a new Youth Minister joining the team to replace Martin, a new Associate Minister to replace Nigel as Head of Discipleship, and a new Children's Minister (0-5) to replace Gen Griffiths. With Richard returning from Sabbatical in July 2023, the immediate task will be to bed this new team in and to build confidence among them.

In line with our strategic priorities, we want to:

Reach out to a world in need:

- Embed and implement a new strategy for social engagement in our community
- Grow confident disciples able to share their faith by preaching and teaching on mission

Draw people into a new identity in Christ:

- Welcome and induct new members into church life following Alpha
- Further develop our 'newcomer's flow'

Develop a culture of discipleship:

- Teach on Genesis 1-3 as a way of engaging with issues of identity, meaning, purpose, sexuality, failure and redemption
- Develop our monthly prayer meetings and encourage participation in our annual 24/7 prayer week in the lead up to Easter
- Strengthen our small groups - increasing leadership, engagement, transformation, and participation
- Encourage families and individuals to participate in summer festivals of New Wine and Satellites
- Appoint a new Head of Discipleship, Youth Minister, and Children's Minister

Love one another as family:

- Appoint a Head of Community life to help us deepen belonging, develop pastoral care, energise and support small groups, and enable us to grow as an emotionally healthy church

- Build on the success of last year's Christmas Event with a summer fun-day and another Christmas Event in November 2023
- Celebrate our volunteers with a party

Give ourselves away for the sake of others:

- Gather and send out a group of people from within the church as part of a 'church planting team' under Nigel's leadership.
- Further embed and develop our partnerships with others in mission overseas and strengthen our communication and engagement within the church family
- Develop our relationships with other Churches and networks as we seek to grow resilient disciples in our secular age

RESERVES POLICY

It is PCC policy to hold in unrestricted reserves the equivalent of at least one month's budgeted expenditure. It is also our policy to hold sums in reserve for building works arising from the Quinquennial inspection of the Church and for refurbishment of the Church Centre.

The closing balance of £262,554 on Unrestricted General Reserve on 31st December 2022 represents approximately 4 months budgeted expenditure in the year 2023. This sum will provide a very helpful buffer if, as is possible, the church is affected by the cost of living crisis and a subsequent reduction in giving is experienced.

	At 31 December 2022
Total reserves	4,598,508
Unrestricted reserves	4,192,428
*restricted reserves	406,080
**designated reserves	71,530
Total funds less restricted and designated funds	4,120,898

*funds not available for general purposes of the charity

**funds that are designated or otherwise committed (at 31 December 2022)

Included within the unrestricted reserve total is £3,858,344 which is associated with property assets. These funds can only be realised by disposing of tangible fixed assets.

INVESTMENT POLICY

The charity (through its Trustees) has the power to invest in such stocks, shares, investments and property as deemed fit. The charity has made such investments, principally in relation to the Peggy Caffyn-Tees legacy (see page 7), to generate income and has made no social investments'

On behalf of the PCC on 18th April 2023

Revd Richard Wilson
Vicar

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (the PCC) are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of the Parochial Church Council of St Mary's Church, Reigate (the "PCC") for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion, the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the PCC members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the PCC members' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of PCC members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members

As explained more fully in the PCC members' responsibilities statement, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC members are responsible for assessing the PCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC members either intend to liquidate the PCC or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment, financial reporting legislation and health and safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, valuation of property, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates such as valuation of property, agreeing financial statement disclosures to underlying supporting documentation, identifying and testing journal entries, reviewing PCC meeting minutes and evaluating the charity' internal controls.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Use of our report

This report is made solely to the PCC members, as a body, in accordance Part 4 of the charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the PCC members' those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PCC and the PCC members as a body, for our audit work, for this report, or for the opinions we have formed.

Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

Jacob, Cavenagh + Skeet

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 18th April 2023

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

Parochial Church Council of St Mary's Church Reigate

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2022

	Notes	Unrestricted Funds £	Restricted Funds £	End't Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	End't Funds £	Total 2021 £
Income									
Donations and legacies	2(a)	617,455	12	0	617,467	575,482	201	0	575,683
Church activities	2(b)	125,321	5,431	0	130,752	65,138	2,104	0	67,242
Investments	2(c)	1,668	11,905	0	13,573	640	11,315	0	11,955
Other income	2(d)	3,400	0	0	3,400	16,261	0	0	16,261
Total income		747,844	17,348	0	765,192	657,521	13,620	0	671,141
Expenditure on Church Activities	3	699,630	10,214	0	709,844	620,150	4,006	0	624,156
Total expenditure		699,630	10,214	0	709,844	620,150	4,006	0	624,156
Net gains/(losses) on investments		0	0	(55,287)	(55,287)	0	0	43,914	43,914
Net income/(expenditure)		48,214	7,134	(55,287)	61	37,371	9,614	43,914	90,899
Transfers between funds	9	0	0	0	0	7,384	(7,384)	0	0
Other recognised gains/(losses): Gains/(losses) on revaluation of tangible fixed assets	5a	83,000	0	0	83,000	121,000	0	0	121,000
Net movement in funds		131,214	7,134	(55,287)	83,061	165,755	2,230	43,914	211,899
Funds b/fwd at 1 January 2022		4,061,214	65,976	388,257	4,515,447	3,895,459	63,746	344,343	4,303,548
Funds c/fwd at 31 December 2022		4,192,428	73,110	332,970	4,598,508	4,061,214	65,976	388,257	4,515,447

All income arises from the continuing activities of the PCC. The PCC had no recognised gains or losses other than those dealt with in the Statement of Financial Activities. The notes on pages 17 to 26 form part of these accounts.

Parochial Church Council of St Mary's Church Reigate

BALANCE SHEET
31 December 2022

Fixed assets	Notes	2022 £	2021 £
Tangible fixed assets	5(a)	3,858,344	3,789,103
Investment assets	5(b)	332,970	388,257
		4,191,314	4,177,360
Current assets			
Debtors	6	44,633	68,634
Cash at bank & in hand		385,309	298.338
		429,942	366,972
Liabilities: Amounts falling due within one year			
Creditors	7	(22,748)	(28,885)
Net current assets		407,194	338,087
Liabilities: Amounts falling due after more than one year			
Creditors		0	0
Net assets		4,598,508	4,515,447
Funds			
Unrestricted reserves	9	4,192,428	4,061,214
Restricted reserves	9	73,110	65,976
Endowments	9	332,970	388,257
		4,598,508	4,515,447

Approved by the Parochial Church Council **on 18th April 2023** and signed on its behalf by:

Revd Richard Wilson
Vicar

Parochial Church Council of St Mary's Church Reigate

STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	2022 £	2021 £
Cash used in operating activities (note)	80,094	23,960
Cash flows from investing activities		
Interest and dividends received	13,573	11,955
Payments to acquire tangible fixed assets	(6,696)	(28,384)
Proceeds on sale of tangible fixed assets	-	
Payments to acquire fixed asset investments	(3,300)	(95,455)
Proceeds on sale of fixed asset investments	3,300	95,455
Cash (used in) investing activities	6,877	(16,429)
Cash flows from financing activities		
Interest free loans repaid	0	0
Cash (used in) financing activities	0	0
Net cash inflows/(outflows)	86,971	7,531
Cash and cash equivalents at 1 January 2022	298,338	290,807
Cash and cash equivalents at 31 December 2022	385,309	298,338

Cash used in operating activities

Net income/(expenditure)	61	90,899
Interest and dividends received shown in investing activities	(13,573)	(11,955)
Depreciation	20,458	21,178
(Gain)/loss on disposal of tangible fixed assets	(3)	0
(Gain)/loss on disposal of fixed asset investments	0	0
Other (gains)/losses on investments	55,287	(43,914)
(Increase)/Decrease in debtors	24,001	(32,563)
(Decrease)/Increase in creditors	(6,137)	315
Cash used in operating activities	80,094	23,960

1. Accounting Policies

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission (number 1129140). Its principal place of operations is: St Mary's Parish Office, St Mary's Church Centre, Chart Lane, Reigate, Surrey RH2 7RN.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

The financial statements have been prepared under the historical cost convention subject to the revaluation of residential properties and investments. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.
The financial statements are presented in pounds sterling rounded to the nearest £1.
The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern.

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.
Restricted funds are those monies received by the PCC which have been given for a particular purpose.
Endowment funds are funds, the capital of which must be maintained; use of the income arising from investment of the endowment varies according to individual trust purposes.

Income

Donations and legacies

Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.

Other income

Rental income from the letting of church premises is recognised when the rental is receivable.

Income from investments

Dividends are accounted for when receivable, interest is accrued.

Gains and losses on investments

Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

Grants

Grants relating to revenue expenditure are recognised in income in the periods in which the related costs are incurred.

1. Accounting policies (continued)

Expenditure
Expenditure is accrued as soon as a liability is incurred. Support and governance costs are included in expenditure on church activities.

Church activities
Most mission grants are payable monthly and are accounted for in the month in respect of which they are payable. Other mission grants are accounted for when a decision to make payment has been taken.

The Diocesan parish share is accounted for when payable.

Fixed Assets
Land and buildings and church and church centre fittings
Consecrated and benefice property is excluded from the accounts by s10 (2) (a) of the Charities Act 2011. Residential properties used by the PCC in undertaking its activities (i.e. staff housing) have been included in tangible fixed assets at their estimated market value. The Church Centre has been included at its cost at the year end. No depreciation has been provided on land and buildings as the PCC has adopted a policy of maintaining properties to a standard that prolongs their lives and enhances their residual values. No value is placed on moveable church furnishings held by the churchwardens on a special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All maintenance expenditure incurred during the year on consecrated or benefice buildings and on church and church centre fittings continues to be written off as expenditure in the Statement of Financial Activities (SOFA). Fixtures and equipment costing more than £500 are capitalised and depreciated over their useful life which varies from 4 years to 40 years depending on the asset.

Investments
Investments are valued at market value at 31 December. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year and are shown as a component of net income.

Current Assets
Gift Aid recoverable and other debtors are included at the amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash and sums placed on deposit available on demand.

Creditors and provisions
Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments
The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical accounting estimates and judgements
In the application of the church's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. Income

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
(a) Donations and legacies						
Planned giving & gifts	495,552	0	495,552	467,168	0	467,168
Income tax recovery (Gift Aid)	103,346	12	103,358	99,322	201	99,523
Legacies	1,900	0	1,900	0	0	0
Offertories	1,789	0	1,789	1,678	0	1,678
Heath Church	8,453	0	8,453	4,346	0	4,346
Community Building Project	0	0	0	0	0	0
Other income from donors	6,415	0	6,415	2,968	0	2,968
	617,455	12	617,467	575,482	201	575,683
(b) Church activities						
Rental Income	75,446	0	75,446	45,644	0	45,644
Youth income	15,325	0	15,325	4,341	0	4,341
Girls' Brigade income	0	5,431	5,431	0	2,104	2,104
Hospitality & events	14,155	0	14,155	4,096	0	4,096
Sundry income	20,395	0	20,395	11,057	0	11,057
	125,321	5,431	130,752	65,138	2,104	67,242
(c) Investments						
Interest and dividends	1,668	11,905	13,573	640	11,315	11,955
(d) Other income						
Grants	3,400	0	3,400	16,261	0	16,261
Total income	747,844	17,348	765,192	657,521	13,620	671,141

3. Expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Church activities						
Grants (See Note 14):						
Mission Partners	27,867	0	27,867	48,720	0	48,720
Other mission and donations	55,919	0	55,919	21,481	0	21,481
	83,786	0	83,786	70,201	0	70,201
Other:						
Diocesan Quota	265,904	0	265,904	261,033	0	261,033
Fees to Diocese	7,927	0	7,927	5,494	0	5,494
Admin and support staff	106,863	0	106,863	87,972	0	87,972
Clergy expenses	5,898	0	5,898	6,453	0	6,453
Clergy housing	9,802	0	9,802	9,464	0	9,464
Music ministry	26,259	0	26,259	19,915	0	19,915
Youth & children's ministry	50,514	0	50,514	65,112	0	65,112
Girls' Brigade expenses	0	6,280	6,280	0	2,176	2,176
Repairs and cleaning	19,986	3,859	23,845	9,296	1,830	11,126
Insurance: Church and Centre	11,874	0	11,874	12,538	0	12,538
Other church activities	27,165	75	27,240	14,686	0	14,686
Governance costs: Audit fees	6,000	0	6,000	5,460	0	5,460
Administrative expenses	22,856	0	22,856	21,173	0	21,173
Utilities & Other expenses	34,338	0	34,338	10,175	0	10,175
Depreciation	20,458	0	20,458	21,178	0	21,178
Total expenditure	699,630	10,214	709,844	620,150	4,006	624,156

4. Staff costs

	2022 £	2021 £
Wages and salaries	146,206	138,840
Social security costs	4,820	4,028
Pension costs	3,513	3,764
	154,539	146,632

	2022	2021
Average number of employees (full time equivalents) during year was:	6	6
Average number of employees during year was:	12	11

4. Staff Costs (continued)

Payments made to third parties on behalf of PCC members in the year were £7,431 (2021: £ 4,056) These were mainly in respect of housing, books, food, kitchenware and Internet access. These payments were received by or on behalf of 3 (2021: 8 PCC members.) No employee received employee benefits of more than £60,000 (2021 Nil). Renumeration of family members of the PCC amounted to £38,876 (2021 £31,377)

5. Fixed assets for use by the PCC	Freehold/Leasehold Property £	Fixtures & Equipment £	Total £
5(a) Tangible fixed assets			
Cost or valuation			
At 1 January 2022	3,619,461	293,200	3,912,660
Additions	-	6,696	6,696
Disposals	-	(4,819)	(4,819)
Revaluation of properties	83,000	-	83,000
At 31 December 2022	3,702,461	295,077	3,997,538
Depreciation			
At 1 January 2022	-	123,558	123,558
Charge for the year	-	20,458	20,458
Disposals	-	(4,822)	(4,822)
At 31 December 2022	-	139,194	139,194
Net book Value			
At 31 December 2022	3,702,461	155,883	3,858,344
At 31 December 2021	3,619,461	169,642	3,789,103

Tangible fixed assets comprise the following freehold/leasehold land and buildings held as assets by the PCC:

i) **63 Chart Lane (Freehold), 9 Lymden Gardens (Freehold) and Flat 11 Monks Court, Reigate (Leasehold)**
These properties are held in trust for the PCC of St Mary's and the full maintenance and insurance costs are the responsibility of the PCC.

ii) **3 St Clair Close, Reigate (Freehold)**
The parish has a 20% interest in this property, the remaining 80% being owned by the diocese. The PCC is responsible for 20% of the maintenance and insurance costs.

iii) **Church Centre, Chart Lane, Reigate (Freehold)**
The land and buildings are owned by the PCC who have responsibility for maintaining and insuring the property.

Residential properties are included in the Balance Sheet at their estimated market value using a property valuation website. The Church Centre is included at its cost.

5(b) **Investments**

	Listed Investments	Listed Investments
	£	£
	2022	2021
Market value as at 1st January	388,257	344,343
Additions	3,300	95,455
Disposals	(3,750)	(102,568)
Unrealised gains/(losses) in the year	(54,837)	51,027
Market value as at 31st December	332,970	388,257
Historic cost	256,064	254,588

The historical cost of the Graveyard and Parish Trust investments is not known and cannot be traced as these investments were donated or acquired many years ago. The historical cost of the Caffyn-Tees Endowment Investments is £256,064.

6 **Debtors**	2022	2021
	£	£
Income tax recoverable	32,458	55,580
Other debtors	8,515	9,902
Prepayments	3,660	3,152
	44,633	68,634

7 **Liabilities: amounts falling due within one year**	2022	2021
	£	£
Other creditors	21,998	28,885
Deferred Income	750	0
	22,748	28,885

8 Analysis of net assets by fund

2022	Unrestricted Funds	Restricted Funds	Endowment Funds	2022
	£	£	£	£
Fixed assets	3,858,344	0	332,970	4,191,314
Current assets	356,832	73,110	0	429,942
Current liabilities	(22,748)	0	0	(22,748)
	4,192,428	73,110	332,970	4,598,508

2021	Unrestricted Funds	Restricted Funds	Endowment Funds	2021
	£	£	£	£
Fixed assets	3,789,103	0	388,257	4,177,360
Current assets	296,566	70,406	0	366,972
Current liabilities	(24,455)	(4,430)	0	(28,885)
	4,061,214	65,976	388,257	4,514,447

9 Analysis of fund movements during the year

2022	Bal b/fwd 1 Jan 2022	Income	Expenditure	Other gains / (losses)	Transfers	d 31 Dec 2022
	£	£	£	£	£	£
Unrestricted reserves:						
General Fund	200,581	747,844	(679,172)	0	(6,699)	262,554
Capital Reserve	3,789,103	0	(20,458)	83,000	6,699	3,858,344
Church Centre Reserve	50,000	0	0	0	0	50,000
Quinquennial Reserve	21,530	0	0	0	0	21,530
	4,061,214	747,844	(699,630)	83,000	0	4,192,428
Restricted reserves:						
Graveyard Trusts	3,386	86	0	0	0	3,472
Parish Trusts	6,834	293	0	0	0	7,127
Caffyn-Tees Legacy - St Mary's	42,034	11,526	(3,859)	0	0	49,701
Caffyn-Tees Legacy - Heath	2,080	0	0	0	0	2,080
Easter Project	5,428	0	(74)	0	0	5,354
Girls' Brigade Reserve	6,214	5,443	(6,281)	0	0	5,376
	65,976	17,348	(10,214)	0	0	73,110
Endowments:						
Graveyard Trusts	4,511			(525)	0	3,986
Parish Trusts	11,011			(1,280)	0	9,731
Caffyn-Tees – St Marys	372,735			(53,482)	0	319,253
	388,257			(55,287)	0	332,970
Total Funds	4,515,447	765,192	(709,844)	27,713	0	4,598,508

2021	Bal b/fwd 1 Jan 2021 £	Income £	Expenditure £	Other gains / (losses) £	Transfers £	Bal c/fwd 31 Dec 2021 £
Unrestricted reserves:						
General Fund	173,032	657,521	(598,972)	- 0	(31,000)	200,581
Capital Reserve	3,660,897	-	(21,178)	121,000	28,384	3,789,103
Church Centre Reserve	40,000	-	-	-	10,000	50,000
Quinquennial Reserve	21,530	-	-	-	-	21,530
	3,895,459	657,521	(620,150)	121,000	7,384	4,061,214
Restricted reserves:						
Graveyard Trusts	3,300	86		-	-	3,386
Parish Trusts	6,551	283	-	-	-	6,834
Easter Project	5,428			-	-	5,428
Caffyn-Tees - St Marys	32,846	11,018	(1,830)			42,034
Caffyn-Tees - Heath	9,536	(72)			(7,384)	2,080
Girls' Brigade Reserve	6,085	2,305	(2,176)			6,214
	63,746	13,620	(4,006)	-	(7,384)	65,976
Endowments:						
Graveyard Trusts	4,086			425		4,511
Parish Trusts	9,625			1,386		11,011
Caffyn-Tees - St Marys	330,632			42,103		372,735
	344,343			43,914		388,257
Total Funds	4,303,54	671,141	(624,156)	164,914	0	4,515,447

Unrestricted Funds comprise:

(a) **General Reserve**, which contains that part of the PCC's income which is freely available for spending.
(b) **Capital Reserve**, which represents the value of invested income (principally in freehold and leasehold properties) which would become available for spending when realised.
(c) **Church Centre Reserve**, an unrestricted reserve, which comprises income set aside by the PCC to meet future refurbishment costs relating to the church centre.
(d) **Quinquennial Reserve**, which contains income set aside by the PCC to meet the costs of repairs to the church buildings identified by the Quinquennial (five-yearly) inspection.

Restricted Funds comprise:

(a) **Graveyard Trusts**, which contain income from endowment funds to maintain named graves.
(b) **Parish Trusts**, which contain income from endowment funds for specific purposes e.g. care of the poor in the Parish.
(c) **Easter Project Fund**, which contains gifts restricted for use in this community project, which is currently under review.
(d) **Caffyn-Tees Fund (St Mary's)**, which contains income from the endowment fund to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.
(e) **Caffyn-Tees Fund (Heath)**, which contains a legacy which can only be used for Heath Church general purposes.
(f) **Girls' Brigade Reserve**, which contains gifts restricted for use by the Girls' Brigade.

Endowment Funds comprise:

(a) **The Graveyard Trusts**, which are permanent endowments, the income from which is used for maintenance of named graves.
(b) **The Parish Trusts**, which are permanent endowments, the income from which is used for specified purposes e.g. for the care of the poor in the Parish.

(c) **Caffyn-Tees Trust (St Mary's),** which is a permanent endowment, the income from which is to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.

No transfers were made was made from the General Fund to the Church Centre Reserve (2021 £10,000). There has been a movement of £6,699 from the General Fund to the Capital Reserve representing capital expenditure described above.

10 **Taxation**

The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

11 **Related Party Transactions**

PCC members are considered to be related parties and the total employee benefits received by them are set out in note 4 above. PCC members are not remunerated, except as detailed in Note 4.

During the year, donations totalling £74,728 (2021: £66,104) were received from PCC members.

Trustees and individual liability insurance is covered under the Public Liability section of our church insurance. Mr & Mrs J Brown paid rent of £9,600 (2021 £9,600) for the use of a church property.

The grant of £13,169 was given to P & A Guinness, a relative of PCC member E. Lyth.

12 **Operating leases**

The total future minimum lease payments under non-cancellable operating leases are payable:

	2022	2021
	£	£
Within one year	1,272	1,272
After one year but within five years	3,180	4,452
	4,452	5,724
The operating lease charges for the year were:		
Hire of plant and machinery	1,272	1,774

13 **Defined contribution scheme**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represent contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £3,741 (2021: £3,764).

14 Mission Grants

	2022 £	2021 £
Mission Partner Commitments:		
Wycliffe Bible Translators – P & J Fresard	8,200	12,911
T & C Morris	-	8,039
M & E Lyth	-	8,039
Tearfund – B & S Clark	-	
Africa Inland Mission – P & A Guinness	13,169	12,910
CMS –H Burningham/ H Kisakye	6,498	6,821
	27,867	48,720
Sparkfish – Schools Youth Worker	6,239	6,000
Children's Society	1,529	-
	7,768	6,000
Mission & Evangelism – Global:		
Tearfund	12,815	6,543
K Madanat	-	-
Bible Society	335	-
CMS	251	-
Fairtrade		-
International Justice Ministry	8,200	-
Open Doors	7,877	562
DEC Ukraine appeal	2,357	-
UNHCR	560	-
	32,395	7,105
Mission & Evangelism – Local & Social Outreach:		
Community Debt Advice	6,000	6,000
Renewed Hope Trust (including Winter Night Shelter)	-	1,250
BBC Children in Need	-	415
Welcare	87	-
Royal British Legion	305	12
MacMillan Cancer Support	-	240
Barnabas	278	-
Other		459
St Bede's & Reigate Parish Church Primary Schools	3,318	-
Sanctuary Foundation	1,923	-
St Matthews Foodbank	3,845	-
	15,756	8,376
Total Mission Grants from unrestricted funds	£ 83,786	£70,201

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY MAGDALENE, R

England & Wales - Charity number 1129140

Accounts

ST MARY'S CHURCH, REIGATE

ANNUAL REPORT AND FINANCIAL STATEMENTS OF
THE PAROCHIAL CHURCH COUNCIL

for the year ended

31 December 2021

Charity Registration No: 1129140

INCUMBENT

Vicar
The Revd Richard Wilson
The Vicarage
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RH2 OSP

AUDITOR

Jacob Cavenagh & Skeet, Chartered Accountants
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BANKERS

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The Central Board of Finance of the Church of England
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Skipton Building Society
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Reigate
Surrey
RH2 0AE

National Westminster Bank Plc (Reigate)
Southampton Customer Service Centre
23 Brunswick Gate
Southampton
SO15 2AQ

ALL CORRESPONDENCE TO PRINCIPAL PLACE OF OPERATIONS:

St Mary's Parish Office
St Mary's Church Centre
Chart Lane
Reigate
Surrey
RH2 7RN
Tel: 01737 221100

BACKGROUND

St Mary Magdalene Parochial Church Council (PCC) has the responsibility of co-operating with the incumbent in promoting within the ecclesiastical parish the whole mission of the Church of Christ. The PCC is also responsible for the maintenance of our buildings, which include the historic church of St Mary Magdalene (Reigate Parish Church), our Church Centre, the Heath Church and our staff housing.

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission under registration number 1129140.

MEMBERSHIP

Members of the PCC are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as ex officio members. The PCC can also exercise its right to invite co-opted members as it deems fit.

PCC MEMBERSHIP FOR THE YEAR ENDED 31 DECEMBER 2021

Elected Members

Deanery Synod
Mr P Chesterton
Mr P Darwent
Mr G Evans
Miss E Gunn
Mr M Johnson
Mr I Nott (to 24 November 2021)
Licensed Lay Minister
Mrs P Parry

PCC
Mr T Andrew
Mrs R Beggs
Mrs A Brown
Mrs K Cornish
Mr A Course (to 26 April 2021)
Mrs T Hillsdon (from 26 April 2021)
Mrs B Juntunen (from 20 January 2022)
Licensed Lay Minister
Mrs G Moore
Mr A Morgan
Mr N Rayner
Mr A Rubie
Mrs M Wood

Church Wardens
Mr L Jackson
Mr T Lumsden (from 26 April 2021)
Mrs L Plowman (to 26 April 2021)

Ex Officio Members
Revd R Wison – Vicar & Chair
Revd K Capper - Associate Vicar
Revd H Fraser - Self Supporting Minister
Revd N Griffiths - Associate Vicar
Revd E Gilmour - Curate

Hon Secretary
Mrs J Perrett (to 15 November 2021)
Miss S Bertlin (from 15 November 2021)

COMMITTEES

The PCC operates through a number of committees that report to the main PCC meeting from time to time. The PCC members, who are also Trustees for the purpose of charity law, are nominated and elected (other than those holding ex officio positions or who are co-opted) at the Annual Parochial Church Meetings. New members of the PCC are inducted into the workings of the Parochial Church Council through meetings with existing members of the PCC, the churchwardens and the Incumbent. Information in relation to matters to be discussed at PCC meetings is circulated to members prior to each meeting. PCC members, who include the Clergy, Wardens and holders of other offices, are considered to be the Key Management Personnel as they are responsible for directing church affairs. All such personnel give of their time freely and receive no remuneration for their service on the PCC directly from St Mary's. Details of PCC members' expenses, other than reimbursements of costs incurred on behalf of the church, and related party transactions are disclosed in Notes 4 and 11 to the financial statements.

The pay of staff is reviewed annually and normally increased in line with the Diocese of Southwark salary and stipend increases. However, in 2021, Diocesan staff did not receive an increment and in consequence neither did St Mary's staff. All staff are paid at or above the Living Wage Foundation minimum wage.

The following committees supported the work of the PCC during the past year:

Standing Committee

The Standing Committee exists to transact the business of the PCC between meetings and may form the agenda for meetings of the PCC. It consists of the incumbent, the Associate Vicars, the Churchwardens, two deputy churchwardens, the Treasurer and may include other co-opted members. The Standing Committee meets on an ad hoc basis as needs arise. There were 4 meetings of the Standing Committee in 2021.

St Mary's Global

This committee exists to promote our involvement in the church's mission across the world. The committee is active in encouraging support for our link Mission Partners (serving God around the world), financially, practically, and through prayer. The Committee seeks to ensure that the financial support for our Mission Partners and other mission organisations is appropriate for their needs within the resources available.

Fabric and Facilities Committee

This committee exists to oversee all repairs, maintenance and building works affecting the church, the church centre and PCC owned housing.

OBJECTIVES AND ACTIVITIES

As a Parish Church within the Church of England's Diocese of Southwark, St Mary's Church (also known as Reigate Parish Church) exists for the benefit of its wider community as well as for those who form part of our week-by-week worshipping community across a number of congregations.

Our vision is to see God changing lives, families, and churches again and again.

Our mission is to make whole life disciples of all ages, to create and support communities of people who worship God with their whole lives, and to model and reproduce this as widely as possible.

Our strategy is to draw people into intentional apprenticeship to Jesus through:

- reaching out to a world in need,
- drawing people into a new identity in Christ,
- developing a culture of discipleship,
- loving one another as family and
- giving ourselves away for the sake of others.

The work of the church is wide-ranging and despite the challenges of Covid-19 many members of our wider parish community have continued to benefit from the mission and ministry of the church and its members, in a variety of settings and across all age groups.

When reviewing these and other activities, the PCC has had due regard to Charity Commission guidance on public benefit.

The church could not operate without the generous contributions of its staff and its host of volunteers, and we are enormously grateful and indebted to all who contribute in so many ways to the life and health of St Mary's Parish Church with the Heath Church.

ACHIEVEMENTS AND PERFORMANCE

The pandemic has impacted every area of church life, and the life of every member. Crucially, for us as a church, the social impact of the pandemic has severely reduced our levels of connection and as a social organisation. This has impacted our attendance – on Sundays and mid-week – and our levels of connection and volunteering. Time will tell the extent to which we have lost, and gained, people but based as we are on relationships and community, these past two years, have been hard for us.

Despite this we are pleased that in 2021 we have been able to:

- Refine and develop a strategy for the future as a PCC and senior leadership
- Provide a rhythm of weekly worship throughout the last year, both online and in person services across different settings, enabling as much engagement as possible given the fluctuating restrictions
- Install new technical equipment to enable us to livestream gatherings to a high quality
- Welcome new members into our church family
- Grow the number of small groups meeting mid-week – in person and online
- Maintain and develop our youth and children's work on Sundays and right across the week
- Express and develop our approach to pastoral care, such as for those in need, grieving, and living with dementia, including the giving away of many thousands of meals to people in our community and church family
- Relaunch a new vision for 'St Mary's Global' as we partner with others across the world to fulfil our wider mission and begin a journey of exploring what local mission and social outreach looks like post-pandemic here in Reigate
- Steadily increase the opening up of the centre while managing risk appropriately
- See new people becoming disciples and welcoming them to baptism and re-affirmation of faith
- Send two members of our church off to be trained for ministry (Ian Nott and Philippa Parry), welcome a new Reader to our team (Brenda Juntunen), and to provide our Curate (Erin Gilmour) with a wide range of training opportunities in preparation for future ministry
- Successfully meet our financial obligations, continuing to manage our finances well, and further strengthening our reserves despite a drop in income
- Update some of our financial systems and introduced 'Tap and Go' giving in our services

- Maintain staff morale and resilience as we have responded creatively to changes due to absence, maternity leave, illness and restrictions
- Appoint new members of staff in our administration and operations teams

At the APCM in April 2021 there were 508 names on the electoral roll (503 previous year). Of these 38% live within the parish, and 62% outside the parish.

FINANCIAL REVIEW OF THE YEAR

In our budget projections for 2021 we anticipated that, before charging depreciation, our General Fund expenditure would exceed income by £17,744. However, as was the case in 2020, the budget was largely overtaken by the impact of Covid 19 measures which restricted our activities.
In the event 2021 income exceeded expenditure, excluding depreciation, by £58,549 The reason for this stronger than budget financial performance was that while planned giving was in line with budget, one off donations exceeded budget by £15,000 and expenditure was well below budget with a number of headings significantly under budget as the church and centre were closed, planned events did not take place and there were savings in staff costs as staff vacancies went unfilled. This surplus is added to the General fund Reserve, but Capital Expenditure of £21,000 is deducted and a transfer of £10,000 to the Church Centre Reserve was made leaving the General Fund Reserve at £200,581 at 31 December 2021.

Income from donors – Note 2(a)

Compared with 2020, our planned Giving reduced by £27,940 or 6.2% with donors ending standing orders for various reasons exceeding new starters. A Stewardship campaign took place at the end of the year, the results of which went some way towards redressing this reduction, but most of the benefit of which will not be felt until 2022. We again received a number of very generous single donations. In total these one off donations totalled £40,202,slightly less than last year but well in excess of previous years. We have ceased holding collections and running an envelope scheme. but we now have a contactless donation machine in church. However, the income from this is only a small fraction of the sum previously given in cash or envelopes. Almost 300 regular donations from standing orders etc are currently being received, many from couples. Our high level of tax efficient giving has been maintained with £99,322 being received by the General Fund as a result of Gift Aid tax refunds. We are enormously grateful to God for this provision and to everyone who has contributed so generously.

Income from church activities – Note 2(b)

Net income from the Church Centre bookings at £21,283, were much higher than in 2020 but less than half of the pre-pandemic figure of some £50,000pa. Lettings of the Church at £5,761 were also much lower than before the pandemic.

This heading also includes rental of church residential properties, where the rentals of £18,600 were received. Net income from fees for weddings, funerals, etc was £5,498.

Other Income-Note 2(d)

We received £14,261 under the Government's Coronavirus Job Retention Scheme in respect of furloughed staff.

Expenditure – Grants – Note 3

Payments to Mission Partners amounted to £48,720, little changed from 2020.In addition we gave £6,543 to Tear Fund. Full details of all donations, totalling £70,201 are shown at Note 14 to the accounts. The PCC keeps under regular review the amounts given to mission partners and other donations.

Expenditure – Other - Note 3

In September 2020 the PCC agreed to increase the Diocesan share for 2021 by 1.3% or £3,084 to £241,000. For 2022, the PCC and the Diocese have agreed a further increase of 2% to £245,820, which exceeds by £91,900 the cost, including overheads, as advised by the Diocese of our own 2 full time clergy posts. Also included under the heading Diocesan Share is £20,033 in respect of the part-time services of one additional clergy, in addition to the 2 full-time clergy posts mentioned above.

Staff costs have decreased significantly from £173,902 to £146,632. The principal reasons for this were that some office and support staff were not replaced immediately after they left employment and because of staff maternity leave.

As in 2020, the costs of many church activities, building maintenance and utilities, and children's and youth work were much less than normal because of the Covid restrictions.

Balance Sheet

The Church Centre is included in the Balance Sheet at its cost of £1,857,261. Other Church and Church Centre fixtures and equipment have a book value of £169,642. Capital expenditure of £28,384 was incurred in 2021, including completion of the church audio visual project with a total cost of £33,573, of which £19,806 was spent in 2021, and £7,384 on the Heath Church audio visual project.

As in previous years we have used a property valuation website to provide an internal valuation of our 4 residential properties, for Balance Sheet purposes. The value of these properties has increased in 2021 by 7.4% to £1,762,200.

2022

We have decided to budget for expenditure, before depreciation, to exceed income by £26,989, as we expect many expense headings, particularly staff costs, to increase substantially as we recover from the Covid restrictions. We cannot at present foresee these costs being totally matched by increases in income. We do however start the year with a high level of reserves (see below) and it seems wise this year to use in part these reserves

Peggy Caffyn-Tees Legacy

The total sum received in 2013/14 was £359,696. Approximately one third of this, £121,589, is restricted specifically for the use of the Heath Church. £7,384 was spent in 2021 on replacing and improving the audio-visual system in the church. The balance of the Heath Church's share now stands at just £2,080. The other two thirds, initially £238,107, is held on trust by the PCC for an indefinite period with the income only to be used to maintain Peggy's family graves, and for fabric work on the Church including maintenance of the organ. This sum has been fully invested in 4 CCLA funds as shown in Note 5(b) and a gain of £42,103 was achieved in 2021, bringing the value invested up to £372,735. Income in 2021 from the sum invested amounted to £11,018. During 2021

£1,830 was spent. The balance carried forward and available for use in future years now stands at £42,034.

RISK MANAGEMENT

The PCC has considered the major risks to which the church is exposed including safeguarding children and vulnerable adults (in which regard the PCC follows the Diocese of Southwark Safeguarding procedures in full and has two experienced safeguarding officers to assist it), disability discrimination, health and safety and fire protection. The comprehensive Risk Register is reviewed annually by the PCC. We continue to ensure that we meet GDPR requirements.

The PCC considers the principal financial risk facing the Church is that expenditure is not matched by income. This risk is managed by the preparation of regular monthly financial statements and an annual budget which is regularly reviewed and updated.

FUNDRAISING

The Church's fundraising activities comprised a Stewardship campaign which included teaching on Christian giving together with a leaflet setting out our needs and inviting a response. The majority of the Church's income is derived from standing orders and one-off donations from Church members. The hiring of the Church and Church Centre also provide a source of income. The Church does not employ outside fundraisers. The Church complies with the principles of the Charities Governance Code.

FUTURE PLANS

As the winter of covid passes and we emerge from the seclusion and isolation of these hard few years, we are encouraged by the gradual signs of movement, growth and renewal appearing all around us. We are mindful that it may yet take time to regain our momentum as a community, but we are determined to make sure that our church is re-envisioned for a new chapter of life together post-pandemic.

Our primary focus at this time is rebuild community and deepen spiritual life - drawing together newer and more established members, deepening our sense of a shared life in Christ and our common mission.

Drawing on the teaching and growth of the past few years, we will be looking for deeper change and transformation in our discipleship, especially as we face a new set of challenges in our daily lives post-pandemic.

Alongside the emphasis on community and spiritual depth, it is vital that we strengthen the underlying foundations of our church life - our prayer life, our worship and teaching, our finances (and our financial systems and finance team), our staffing team, our operational systems and safeguarding structures, and our use of technology.

In line with our strategic priorities, we want to:

Reaching out to a world in need

- Develop a renewed strategy for social engagement in our community
- Continue to develop our online and digital presence
- Encourage one another as whole-life disciples on our various frontlines
- Strengthen our relationships with our local schools as places of service and mission

Drawing people into a new identity in Christ

- Welcome and induct new members into church life

Developing a culture of discipleship

- Mature our discipleship pathway, and leadership pipeline, strengthening the process for how we help each other to mature in Christ
- Deepen our reliance on Word and Spirit as the foundation of our shared church life, across the whole church, as we navigate cultural and social change in the world around us.
- Develop our small groups - increasing leadership, engagement, transformation, and participation

Loving one another as family

- Strengthen our later life ministries giving them higher profile in our church life
- Continue to invest in reaching and building up the next generation of younger people and families
- Build on the momentum of being involved in the Summer Satellites festival to impact our young people and grow our ministries to parents and families
- Continue to build up our pastoral care and community life as a church family

Giving ourselves away for the sake of others

- Further embed and develop our partnerships with others in mission overseas
- Create momentum for church planting in the coming years
- Develop our relationships with other Churches and networks as we seek to grow resilient disciples in our secular age
- Seek out possible partnership with a church in an area of social need

RESERVES POLICY

It is PCC policy to hold in unrestricted reserves the equivalent of at least one month's budgeted expenditure. It is also our policy to hold sums in reserve for building works arising from the Quinquennial inspection of the Church and for refurbishment of the Church Centre.

The closing balance of £200,581 on Unrestricted General Reserve on 31st December 2021 represents 3.6 months budgeted expenditure in the year 2022. This sum will provide a very helpful buffer if, as is possible, the church recovers only slowly from the effects of the Covid 19 measures. The reserve for Quinquennial repairs at 31st December 2021 stands at £21,530 and the church Centre reserve at £50,000.

INVESTMENT POLICY

The charity (through its trustees) has the power to invest in such stocks, shares, investments and property as deemed fit. The charity has made such investments, principally in relation to the Peggy Caffyn-Tees legacy (see page 7), to generate income and has made no social investments.

On behalf of the PCC on April 2022

Revd Richard Wilson
Vicar

The Trustees (the PCC) are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of the Parochial Church Council of St Mary's Church, Reigate (the "PCC") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion, the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the PCC members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the PCC members' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of PCC members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members

As explained more fully in the PCC members' responsibilities statement, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC members are responsible for assessing the PCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC members either intend to liquidate the PCC or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment, financial reporting legislation and health and safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, valuation of property, presentation of separately disclosed items, government assistance – furlough income and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates such as valuation of property, agreeing financial statement disclosures to underlying supporting documentation, testing the calculation of claims made under the Coronavirus Job Retention Scheme, identifying and testing journal entries, reviewing PCC meeting minutes and evaluating the charity' internal controls.

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Use of our report

This report is made solely to the PCC members, as a body, in accordance Part 4 of the charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the PCC members' those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PCC and the PCC members as a body, for our audit work, for this report, or for the opinions we have formed.

Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: .....

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

Parochial Church Council of **St Mary's Church** Reigate

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	End't Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	End't Funds £	Total 2020 £
Income									
Donations and legacies	2(a)	575,482	201	0	575,683	615,989	1,130	0	617,119
Church activities	2(b)	65,138	2,104	0	67,242	49,634	2,491	0	52,125
Investments	2(c)	640	11,315	0	11,955	876	11,713	0	12,589
Other income	2(d)	16,261	0	0	16,261	12,469	1,000	0	13,469
Total income		657,521	13,620	0	671,141	678,968	16,334	0	695,302
Expenditure on Church Activities	3	620,150	4,006	0	624,156	643,023	8,861	0	651,884
Total expenditure		620,150	4,006	0	624,156	643,023	8,861	0	651,884
Net gains/(losses) on investments		0	0	43,914	43,914	0	0	20,306	20,306
Net income/(expenditure)		37,371	9,614	43,914	90,899	35,945	7,473	20,306	63,724
Transfers between funds		7,384	-7,384	0	0	4,892	-4,892	0	0
Other recognised gains/(losses): Gains/(losses) on revaluation of tangible fixed assets		121,000	0	0	121,000	68,329	0	0	68,329
Net movement in funds		165,755	2,230	43,914	211,899	109,166	2,581	20,306	132,053
Funds b/fwd at 1 January 2021		3,895,459	63,746	344,343	4,303,548	3,786,293	61,165	324,037	4,171,495

Funds c/fwd at 31 December 2021	4,061,214	65,976	388,257	4,515,447	3,895,459	63,746	344,343	4,303,548

All income arises from the continuing activities of the PCC. The PCC had no recognised gains or losses other than those dealt with in the Statement of Financial Activities. The notes on pages 19 to 27 form part of these accounts.

Parochial Church Council of **St Mary's Church** Reigate

BALANCE SHEET
31 December 2021

Fixed assets	**Notes**	**2021 £**	**2020 £**
Tangible fixed assets	5(a)	3,789,103	3,660,897
Investment assets	5(b)	388,257	344,343
		4,177,360	4,005,240
Current assets			
Debtors	6	68,634	36,071
Cash at bank & in hand		298,338	290,807
		366,972	326,878
Liabilities: Amounts falling due within one year			
Creditors	7	(28,885)	(28,570)
Net current assets		338,087	298,308
Net assets	8	4,515,447	4,303,548
Funds			
Unrestricted reserves		4,061,214	3,895,459
Restricted reserves		65,976	63,746
Endowments	9	388,257	344,343
		4,515,447	4,303,548

Approved by the Parochial Church Council **on** **April 2022** and signed on its behalf by:

Revd Richard Wilson
Vicar

Parochial Church Council of **St Mary's Church** Reigate

STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

	2020 £	2020 £
Cash (used in)/provided by operating activities (see below)	23,960	70,503
Cash flows from investing activities		
Interest and dividends received	11,955	12,589
Payments to acquire tangible fixed assets	(28,384)	(19,358)
Payments to acquire fixed asset investments	(100,455)	-
Proceeds on sale of fixed asset investments	100,455	-
Cash (used in)/provided by investing activities	(16,429)	(6,769)
Net cash (outflow)/ inflow	7,531	63,734
Cash and cash equivalents at 1 January 2021	290,807	227,073
Cash and cash equivalents at 31 December 2021	298,338	290,807
Cash (used in)/provided by operating activities		
Net (expenditure)/ income	90,899	63,724
Interest and dividends received shown in investing activities	(11,955)	(12,589)
Depreciation	21,178	18,805
(Gain)/loss on disposal of fixed asset investments	-	-
Other (gains)/ losses on investments	(43,914)	(20,306)
(Increase)/Decrease in debtors	(32,563)	30,605
Increase/(Decrease) in creditors	315	(9,736)
Cash (used in)/provided by operating activities	23,960	70,503

1. **Accounting Policies**

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission (number 1129140). Its principal place of operations is: St Mary's Parish Office, St Mary's Church Centre, Chart Lane, Reigate, Surrey RH2 7RN.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

The financial statements have been prepared under the historical cost convention subject to the revaluation of residential properties and investments. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

The financial statements are presented in pounds sterling rounded to the nearest £1

The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern.

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.
Restricted funds are those monies received by the PCC which have been given for a particular purpose.
Endowment funds are funds, the capital of which must be maintained; use of the income arising from investment of the endowment varies according to individual trust purposes.

Income

Donations and legacies

Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.

Other income

Rental income from the letting of church premises is recognised when the rental is receivable.

Income from investments

Dividends are accounted for when receivable, interest is accrued.

Gains and losses on investments

Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

Grants
Grants relating to revenue expenditure are recognised in income in the periods in which the related costs are incurred.

1. Accounting policies (continued)

Expenditure
Expenditure is accrued as soon as a liability is incurred. Support and governance costs are included in expenditure on church activities

Church activities
Most mission grants are payable monthly and are accounted for in the month in respect of which they are payable. Other mission grants are accounted for when a decision to make payment has been taken.

The Diocesan parish share is accounted for when payable.

Fixed Assets
Land and buildings and church and church centre fittings
Consecrated and benefice property is excluded from the accounts by s10 (2) (a) of the Charities Act 2011. Residential properties used by the PCC in undertaking its activities (i.e. staff housing) have been included in tangible fixed assets at their estimated market value. The Church Centre has been included at its cost at the year end. No depreciation has been provided on land and buildings as the PCC has adopted a policy of maintaining properties to a standard that prolongs their lives and enhances their residual values. No value is placed on moveable church furnishings held by the churchwardens on a special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All maintenance expenditure incurred during the year on consecrated or benefice buildings and on church and church centre fittings continues to be written off as expenditure in the Statement of Financial Activities (SOFA). Fixtures and equipment costing more than £500 are capitalised and depreciated over their useful life which varies from 4 years to 40 years depending on the asset.

Investments
Investments are valued at market value at 31 December. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year and are shown as a component of net income.

Current Assets
Gift Aid recoverable and other debtors are included at the amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash and sums placed on deposit available on demand.

Creditors and provisions
Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments
The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical accounting estimates and judgements
In the application of the church's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated

assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Income

		Unrestricted Funds £	Restricted Funds £	Total 2021	Unrestricted Funds £	Restricted Funds £	Total 2020 £
(a)	**Donations and legacies**						
	Planned giving and gifts	467,168	-	467,168	500,420	-	500,420
	Income tax recovery (Gift Aid)	99,322	201	99,523	108,263	445	108,708
	Legacies	-	-	-	-	-	-
	Offertories	1,678	-	1,678	3,190	-	3,190
	Heath Church	4,346	-	4,346	2,745	-	2,745
	Community Building Project	-	-	-	-	-	-
	Other income from donors	2,968	-	2,968	1,371	685	2,056
		575,482	201	575,683	615,989	1,130	617,119
(b)	**Church activities**						
	Rental income	45,644	-	45,644	36,560	-	36,560
	Youth income	4,341	-	4,341	170	-	170
	Girls' Brigade income	-	2,104	2,104	-	2,491	2,491
	Hospitality and events	4,096	-	4,096	3,500	-	3,500
	Sundry income	11,057	-	11,057	9,404	-	9,404
		65,138	2,104	67,242	49,634	2,491	52,125
(c)	**Investments**						
	Interest and Dividends	640	11,315	11,955	876	11,713	12,589
(d)	**Other income**						
	Government Grant - furlough	14,261	-	14,261	10,469	-	10,469
	Other Grants	2000	-	2000	2,000	1,000	3,000
		16,261	-	16,261	12,469	1,000	13,469
	Total income	657,521	13,620	671,141	678,968	16,334	695,302

3 **Expenditure**

	Unrestricted Funds £	Restricted Funds £	Total 2021	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Church activities						
Grants (See Note 14):						
Mission Partners	48,720	-	48,720	49,384	-	49,384
Other mission and donations	21,481	-	21,481	18,761	-	18,761
	70,201	-	70,201	68,145	-	68,145
Other:						
Diocesan Quota	261,033	-	261,033	257,924	-	257,924
Fees to Diocese	5,494	-	5,494	5,428	-	5,428
Admin and support staff	87,972	-	87,972	93,208	-	93,208
Training and Clergy expenses	6,453	-	6,453	12,207	-	12,207
Staff housing	9,464	-	9,464	10,783	-	10,783
Music ministry	19,915	-	19,915	37,894	-	37,894
Youth & children's ministry	65,112	-	65,112	58,931	-	58,931
Girls' Brigade expenses	-	2,176	2,176	-	3,969	3,969
Repairs and cleaning	9,296	1,830	11,126	10,660	1,565	12,225
Insurance: Church and Centre	12,538	-	12,538	13,037	-	13,037
Other church activities	14,686	-	14,686	16,992	1,023	18,015
Administrative expenses	21,173	-	21,173	17,564	-	17,564
Utilities & Heath Church expenses	10,175	-	10,175	16,225	2,304	18,529
Depreciation	21,178	-	21,178	18,805	-	18,805
Governance costs: Audit fees	5,460	-	5,460	5,220	-	5,220
Total expenditure	620,150	4,006	624,156	643,023	8,861	651,884

4 **Staff costs**

	2021 £	2020 £
Wages and salaries	138,840	162,519
Social security costs	4,028	6,360
Pension costs	3,764	5,023
	146,632	173,902

	2021	2020
Average number of employees (full time equivalents) during year was:	6	6
Average number of employees during year was:		1
	11	1

4 **Staff Costs (continued)**

Payments made to third parties on behalf of PCC members in the year were £4,056 (2020: £3,917) These were mainly in respect of housing, books and Internet access. These payments were received by or on behalf of 8 (2020: 7) PCC members. No employee received employee benefits of more than £60,000 (2020: Nil).

5	**Fixed assets for use by the PCC**	**Freehold/ Leasehold Property £**	**Fixtures & Equipment £**	**Total £**
(a)	Tangible fixed assets			
	Cost or valuation			
	At 1 January 2021	3,498,461	264,816	3,763,277
	Additions	-	28,384	28,384
	Disposals	-	-	-
	Revaluation of properties	121,000	-	121,000
	At 31 December 2021	3,619,461	293,200	3,912,661
	Depreciation			
	At 1 January 2021	-	102,380	102,380
	Charge for the year	-	21,178	21,178
	Disposals	-	-	-
	At 31 December 2021	-	123,558	123,558
	Net book Value			
	At 31 December 2021	3,619,461	169,642	3,789,103
	At 31 December 2020	3,498,461	162,436	3,660,897

Tangible fixed assets comprise the following freehold/leasehold land and buildings held as assets by the PCC:

i) **63 Chart Lane, 9 Lymden Gardens and Flat 11 Monks Court, Reigate**
These properties are held in trust for the PCC of St Mary's and the full maintenance and insurance costs are the responsibility of the PCC.

ii) **3 St Clair Close, Reigate**
The parish has a 20% interest in this property, the remaining 80% being owned by the diocese. The PCC is responsible for 20% of the maintenance and insurance costs.

iii) **Church Centre, Chart Lane, Reigate**
The land and buildings are owned by the PCC who have responsibility for maintaining and insuring the property.

Residential properties are included in the Balance Sheet at their estimated market value using a property valuation website. The Church Centre is included at its cost.

5(b)	**Investments**	**Market value**	**Market value**

	31 December 2021 £	31 December 2020 £
Graveyard Trusts (CBF Investment Fund Shares & Deposits)		
Buckle	1,444	1,264
Davidson	257	225
Godfrey	1,099	961
Keay	925	925
Riddock	468	409
Seeley	200	200
Yglesian	118	102
	4,511	4,086
Parish Trusts (COIF Charities Investment Fund Shares)		
Grice	3,743	3,272
Stennett	3,784	3,308
Maseres	3,484	3,045
	11,011	9,625
Caffyn-Tees Endowment Fund (CBF Church of England Income Funds)		
CBF Investment Fund	91,174	84,976
CBF Global Equity Fund	96,632	94,778
CBF Property Fund	91,708	71,877
CBF Fixed Interest Fund		79,001
CBF UK Equity Fund	93,221	
	372,735	330,632
Total investments	388,257	344,343

The historical cost of the Graveyard and Parish Trust investments is not known and cannot be traced as these investments were donated or acquired many years ago. The historical cost of the Caffyn-Tees Endowment Investments is £238,107.

6 **Debtors**

	2021 £	2020 £
Gift Aid recoverable	55,580	22,545
Other debtors	9,902	5,733
Prepayments	3,152	7,793
	68,634	36,071

7 **Liabilities: amounts falling due within one year**

	2021 £	2020 £
Other creditors	28,885	28,310
Deferred Income	-	260
	28,885	28,570

8 **Analysis of net assets by fund**

2021	**Unrestricted Funds £**	**Restricted Funds £**	**Endowment Funds £**	**2021 £**
Fixed assets	3,789,103		388,257	4,177,360
Current assets	296,566	70,406		366,972
Current liabilities	(24,455)	(4,430)		(28,885)
	4,061,214	65,976	388,257	4,514,447

2020	**Unrestricted Funds £**	**Restricted Funds £**	**Endowment Funds £**	**2020 £**
Fixed assets	3,660,897	-	344,343	4,005,240
Current assets	263,132	63,746	-	326,878
Current liabilities	(28,570)	-	-	(28,570)
	3,895,459	63,746	344,343	4,303,548

9 **Analysis of fund movements during the year**

2021	**Bal b/fwd 1 Jan 2021 £**	**Income £**	**Expenditure £**	**Other gains / (losses) £**	**Transfers £**	**Bal c/fwd 31 Dec 2021 £**
Unrestricted reserves:						
General Fund	173,032	657,521	-598,972	0	-31,000	200,581
Capital Reserve	3,660,897		-21,178	121,000	28,384	3,789,103
Church Centre Reserve	40,000				10,000	50,000
Quinquennial Reserve	21,530					21,530
	3,895,459	657,521	-620,150	121,000	7,384	4,061,214
Restricted reserves:						
Graveyard Trusts	3,300	86				3,386
Parish Trusts	6,551	283				6,834
Caffyn-Tees Legacy - St Mary's	32,846	11,018	-1,830			42,034
Caffyn-Tees Legacy - Heath	9,536	-72			-7,384	2,080
Easter Project	5,428					5,428
Girls' Brigade Reserve	6,085	2,305	-2,176			6,214
	63,746	13,620	-4,006	0	-7,384	65,976

Endowments:						
Graveyard Trusts	4,086			425		4,511
Parish Trusts	9,625			1,386		11,011
Caffyn-Tees – St Marys	330,632			42,103		372,735
	344,343			43,914		388,257
Total Funds	4,303,548	671,141	-624,156	164,914	0	4,515,447

2020	**Bal b/fwd 1 Jan 2020 £**	**Income £**	**Expenditure £**	**Other gains / (losses) £**	**Transfers £**	**Bal c/fwd 31 Dec 2020 £**
Unrestricted reserves:						
General Fund	132,748	678,968	(624,218)	-	(14,466)	173,032
Capital Reserve	3,592,015	-	(18,805)	68,329	19,358	3,660,897
Church Centre Reserve	40,000	-	-	-	-	40,000
Quinquennial Reserve	21,530	-	-	-	-	21,530
	3,786,293	678,968	(643,023)	68,329	4,892	3,895,459
Restricted reserves:						
Graveyard Trusts	3,216	84	-	-	-	3,300
Parish Trusts	6,274	277	-	-	-	6,551
Spearhead	-	-	-	-	-	-
Commun Bldg Project	-	-	-	-	-	-
Easter Project	4,766	1,685	(1,023)	-	-	5,428
Caffyn-Tees - St Marys	23,181	11,230	(1,565)	-	-	32,846
Caffyn-Tees - Heath	16,610	122	(2,304)	-	(4,892)	9,536
Girls' Brigade Reserve	7,118	2,936	(3,969)	-	-	6,085
Heath Church Annexe	-	-	-	-	-	-
Vicarage refurbishment	-	-	-	-	-	-
	61,165	16,334	(8,861)	-	(4,892)	63,746
Endowments:						
Graveyard Trusts	3,892	-	-	194	-	4,086
Parish Trusts	9,044	-	-	581	-	9,625
Caffyn-Tees - St Marys	311,101	-	-	19,531	-	330,632
	324,037	-	-	20,306	-	344,343
Total Funds	4,171,495	695,302	(651,884)	88,635	-	4,303,548

Unrestricted Funds comprise:

(a) **General Reserve**, which contains that part of the PCC's income which is freely available for spending.

(b) **Capital Reserve**, which represents the value of invested income (principally in freehold and leasehold properties) which would become available for spending when realised.

(c) **Church Centre Reserve**, an unrestricted reserve, which comprises income set aside by the PCC to meet future refurbishment costs relating to the church centre.

(d) **Quinquennial Reserve**, which contains income set aside by the PCC to meet the costs of repairs to the church buildings identified by the Quinquennial (five-yearly) inspection.

Restricted Funds comprise:

(a) **Graveyard Trusts**, which contain income from endowment funds to maintain named graves.
(b) **Parish Trusts**, which contain income from endowment funds for specific purposes e.g. care of the poor in the Parish.
(c) **Easter Project Fund**, which contains gifts restricted for use in this community project, which is currently under review.
(d) **Caffyn-Tees Fund (St Mary's),** which contains income from the endowment fund to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.
(e) **Caffyn-Tees Fund (Heath),** which contains a legacy which can only be used for Heath Church general purposes.
(f) **Girls' Brigade Reserve**, which contains gifts restricted for use by the Girls' Brigade.

Endowment Funds comprise:

(a) **The Graveyard Trusts**, which are permanent endowments, the income from which is used for maintenance of named graves.
(b) **The Parish Trusts**, which are permanent endowments, the income from which is used for specified purposes e.g. for the care of the poor in the Parish.
(c) **Caffyn-Tees Trust (St Mary's),** which is a permanent endowment, the income from which is to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.

A transfer of £10,000 (2020: Nil), was made from the General Fund to the Church Centre Reserve to cover anticipated future costs relating to the upkeep of the Church Centre and grounds. £21.000 (2020: £14,466) was transferred from the General Fund to the Capital Reserve representing capital expenditure on audio visual and IT equipment during the year. £7,384 was transferred from the Caffyn-Tees Fund (Heath) to the Capital Reserve Fund in respect of replacing and improving the audio visual system in the Heath Church.

£4,892 was transferred from the Caffyn-Tees Fund (Heath) to the Heath Church Annexe Fund in 2020 in respect of the purchase of chairs for the Heath Church.

10 **Taxation**

The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

11 **Related Party Transactions**

PCC members are considered to be related parties and the total employee benefits received by them are set out in note 4 above. PCC members are not remunerated, except as detailed in Note 4.

During the year, donations totalling £66,104 (2020: £81,320) were received from PCC members.
Trustees and individual liability insurance is covered under the Public Liability section of our church insurance. Mr & Mrs J Brown paid rent of £9,600 (£2,400 part of 2020) for the use of a church property.

12 **Operating leases**

The total future minimum lease payments under non-cancellable operating leases are payable:

	2021	**2020**
	£	**£**

Within one year	1,272	679
After one year but within five years	4,452	-
	5,724	679
The operating lease charges for the year were:		
Hire of plant and machinery	1,774	1,297

13 Defined contribution scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represent contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £3,764 (2020: £5,023).

14 Mission Grants

	2021	2020
Mission Partner Commitments:		
Wycliffe Bible Translators – P & J Fresard	12,911	12,911
T & C Morris	8,039	8,039
M & E Lyth	8,039	8,039
Tearfund – B & S Clark		1,638
Africa Inland Mission – P & A Guinness	12,910	11,936
CMS – H Kisakye	6,821	6,821
	48,720	49,384
Sparkfish – Schools Youth Worker	6,000	6,000
	6,000	6,000
Mission & Evangelism – Global:		
Tearfund	6,543	
K Madanat		2,500
Fairtrade		102
Bible Society		296
CMS Mid Africa		611
	6,543	3,509

	2021	2020
Mission & Evangelism – Local & Social Outreach:		
Community Debt Advice	6,000	6,000
Renewed Hope Trust (including Winter Night Shelter)		36
Welcare	1,250	
BBC Children in Need	415	
Royal British Legion		
Loveworks		100
MacMillan Cancer Support	240	

Centrepoint		17
St Bede's & Reigate Parish Church Primary School		3,099
Other	459	-
	8,376	9,252
Mission & Evangelism – Support for the wider church:		
Open Doors International	562	
	562	
Total Mission Grants from unrestricted funds	£ 70,201	68,145

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY MAGDALENE, R

England & Wales - Charity number 1129140

Accounts

St Mary's Church, Reigate

ANNUAL REPORT AND FINANCIAL STATEMENTS OF
THE PAROCHIAL CHURCH COUNCIL

for the year ended

31 December 2020

Charity Registration No: 1129140

INCUMBENT

Vicar
The Revd Richard Wilson
The Vicarage
76 Church Street
Reigate
Surrey
RH2 OSP

AUDITOR

Jacob Cavenagh & Skeet, Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

BANKERS

HSBC UK Bank Plc
9 The Boulevard
Crawley
RH10 1UT

The Central Board of Finance of the Church of England
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Skipton Building Society
43 Church Street
Reigate
Surrey
RH2 0AE

National Westminster Bank Plc (Reigate)
Southampton Customer Service Centre
23 Brunswick Gate
Southampton
SO15 2AQ

ALL CORRESPONDENCE TO PRINCIPAL PLACE OF OPERATIONS:

St Mary's Parish Office
St Mary's Church Centre
Chart Lane
Reigate
Surrey
RH2 7RN
Tel: 01737 221100

BACKGROUND

St Mary Magdalene Parochial Church Council (PCC) has the responsibility of co-operating with the incumbent in promoting within the ecclesiastical parish the whole mission of the Church of Christ. The PCC is also responsible for the maintenance of our buildings, which include the historic church of St Mary Magdalene (Reigate Parish Church), our Church Centre, the Heath Church and our staff housing.

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission under registration number 1129140.

MEMBERSHIP

Members of the PCC are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as ex officio members. The PCC can also exercise its right to invite co-opted members as it deems fit.

PCC MEMBERSHIP FOR THE YEAR ENDED 31 DECEMBER 2020

Elected Members

Deanery Synod
Mr P Chesterton
Mr P Darwent
Mr G Evans (from 28 Sept 2020)
Mr J Good (to 28 Sept 2020)
Mrs W Gregory (to 28 Sept 2020)
Miss E Gunn
Mr L Jackson (to 28 Sept 2020)
Mr M Johnson (from 28 Sept 2020)
Mr I Nott (from 28 Sept 2020) and also a Reader for all of 2020
Mrs P Parry (from 28 Sept 2020)
Mr N Pettitt (to 28 Sept 2020)

Ex Officio Members

Revd R Wilson	Chair
Revd K Capper	Associate Vicar
Revd H Fraser	Self Supporting Minister
Revd N Griffiths	Associate Vicar
Revd E Gilmour	Curate
Mr L Jackson	Churchwarden (from 28 Sept 2020)
Mr T Leask	Churchwarden (to 28 Sept 2020)
Mrs L Plowman	Churchwarden

PCC
Mr T Andrew
Mr M Beard (to 17 January 2020)
Mrs R Beggs
Mrs A Brown (from 28 September 2020)
Mrs K Cornish (from 28 September 2020)
Mr A Course (from 28 September 2020)
Mrs V Dewar (to 28 September 2020)
Mr C Gladstone (to 23 May 2020)
Mrs F Handley (to 28 September 2020)
Mr R Harse (to 28 September 2020)
Mr M Hetherington (to 28 September 2020)
Mrs N Peck (to 28 September 2020)
Mrs G Moore (from 28 September 2020)
Mr A Morgan (from 28 September 2020)
Mr N Rayner
Mr A Rubie
Mrs M Wood (from 28 September 2020)

Hon Secretary
Mrs J Perrett

COMMITTEES

The PCC operates through a number of committees that report to the main PCC meeting from time to time. The PCC members, who are also Trustees for the purpose of charity law, are nominated and elected (other than those holding ex officio positions or who are co-opted) at the Annual Parochial Church Meetings. New members of the PCC are inducted into the workings of the Parochial Church Council through meetings with existing members of the PCC, the churchwardens and the Incumbent. Information in relation to matters to be discussed at PCC meetings is circulated to members prior to each meeting. PCC members, who include the Clergy, Wardens and holders of other offices, are considered to be the Key Management Personnel as they are responsible for directing church affairs. All such personnel give of their time freely and receive no remuneration for their service on the PCC directly from St Mary's. Details of PCC members' expenses, other than reimbursements of costs incurred on behalf of the church, and related party transactions are disclosed in Notes 4 and 11 to the financial statements.

The pay of staff is reviewed annually and normally increased in line with the Diocese of Southwark salary and stipend increases. In accordance with this, salaries were increased by 1% from 1 January 2020. All staff are paid at or above the Living Wage Foundation minimum wage.

The following committees supported the work of the PCC during the past year:

Standing Committee

The Standing Committee exists to transact the business of the PCC between meetings and may form the agenda for meetings of the PCC. It consists of the incumbent, the Associate Vicars, the Churchwardens, two deputy churchwardens, the Treasurer and may include other co-opted members. The Standing Committee meets on an ad hoc basis as needs arise. There were 6 meetings of the Standing Committee in 2020.

St Mary's Global

This committee exists to promote our involvement in the church's mission across the world. The committee is active in encouraging support for our link Mission Partners (serving God around the world), financially, practically, and through prayer. The Committee seeks to ensure that the financial support for our Mission Partners and other mission organisations is appropriate for their needs within the resources available.

Fabric and Facilities Committee

This committee exists to oversee all repairs, maintenance and building works affecting the church, the church centre and PCC owned housing.

OBJECTIVES AND ACTIVITIES

As a Parish Church within the Church of England's Diocese of Southwark, St Mary's Church (also known as Reigate Parish Church) exists for the benefit of its wider community as well as for those who form part of our week-by-week worshipping community across a number of congregations.

- **Our vision** is to see God changing lives, families and churches again and again.
- **Our mission** is to make whole life disciples of all ages, to create and support communities of people who worship God with their whole lives and to model and reproduce this as widely as possible.
- **Our strategy** is to draw people into intentional apprenticeship to Jesus through reaching out to a world in need, drawing people into a new identity in Christ, developing a culture of discipleship, loving one another as family and giving ourselves away for the sake of others.

Even though this year has been different from any other, numerous members of our wider parish community have benefited from the mission and ministry of the church and its members in a variety of settings and across all age groups. Although many church activities were restricted due to the pandemic, in addition to weekly services on Sunday and mid-week, we continued to serve our community in numerous ways, opening up the Church for prayer, providing funerals and weddings, running youth and children's ministry, supporting parents and families, and hosting a successful on-line Alpha course in the autumn attended by over 300 people. We also continued our financial and practical support for various community activities, working in partnership with others, to help those in food poverty and debt, and to provide schools workers through 'Sparkfish'.

When reviewing these and other activities, the PCC has had due regard to Charity Commission guidance on public benefit.

The church could not operate without the tireless contributions of its staff and its host of volunteers and we are enormously grateful and indebted to all who contribute in so many ways to the life and health of St Mary's Parish Church with the Heath Church.

ACHIEVEMENTS AND PERFORMANCE

2020 has been one of the most challenging St Mary's has faced in many years. Having to close the doors of the church and church centre in order to keep people safe and being unable to meet has impacted every area of church life.

Having said this it is clear that St Mary's has a high level of resilience as an organisation. We have been able to pivot our worship online, develop new ways of reaching out to our community, deepened in our discipleship and maturity, and maintained our connection as a church family.

From the beginning of the pandemic, we focused our attention on:

- **WORSHIPPING FROM HOME** Developing new rhythms of worship and prayer as families and at home, making the most of online technology
- **SUSTAINING COMMUNITY** Deepening our care and love for one another and learning how to connect in new ways
- **GROWING AS DISCIPLES** Learning how to follow Jesus in a changing world and uncertain time
- **LOVING OUR NEIGHBOURS** Sharing our lives with others as we all face the challenges of a generation

Financially we remained resilient, with a surplus of income over expenditure in 2020, but 2021 will undoubtedly present some challenges in this respect. A comprehensive 'Financial Review of the year' follows below.

Early in the year the Heath Church suffered damage from flooding and while repairing the floor, we took the opportunity to renew our seating bringing the whole church renewal project to a completion. At the end of the year, in order to live stream our services from the church, we initiated a project to update our AV system at St Mary's. There were a few staff changes in our operations and administration team and we decided to make use of the Government furlough scheme at various points through the year.

At the APCM in September 2020 there were 503 names on the electoral roll (466 previous year). Of these 38% live within the parish, and 62% outside the parish.

FINANCIAL REVIEW OF THE YEAR

In our budget projections for 2020 we anticipated that, before charging depreciation, our General Fund income would be matched by expenditure. However, the budget was largely overtaken by the impact of the Covid 19 measures.
In the event 2020 income exceeded expenditure, excluding depreciation, by £54,750. The reasons for this increase were that while planned giving and donations showed an increase from 2019, thanks in part to a very generous response from donors to the loss of income from offertories and hire of church facilities, many expenditure headings reduced very substantially as the church and centre were closed, planned events did not take place and savings were made in staff costs. This surplus is added to the General fund Reserve, but Capital Expenditure of £14,466 is deducted, leaving the General Fund Reserve at £173,032 at 31 December 2020.

Income from donors – Note 2(a)

As previously mentioned, our planned Giving held up well despite the loss of income from some donors due to income constraints caused by the effect of Covid, and was boosted by very generous increases and single donations. In the event planned giving was virtually unchanged from 2019 and single donations were double the 2019 figure. Offertories and income from the envelope scheme were naturally only a fraction of the previous year's figures. Almost 300 regular donations are currently being received, many from couples. Our high level of tax efficient giving has been maintalned with £108,263 being received by the General Fund as a result of Gift Aid tax refunds. We are enormously grateful to God for this provision and to everyone who contributed so generously.

Peggy Caffyn-Tees Legacy

The total sum received in 2013/14 was £359,696. Approximately one third of this, £121,589, is restricted specifically for the use of the Heath Church. £7,196 was spent in 2020 mainly on replacing the chairs in the church. The balance of the Heath Church's share now stands at £9,536. The other two thirds, initially £238,107, is held on trust by the PCC for an indefinite period with the income only to be used to maintain Peggy's family graves, and for fabric work on the Church including maintenance of the organ. This sum has been fully invested in 4 CCLA funds as shown in Note 5(b) and a gain of £19,531 was achieved in 2020, bringing the value invested up to £330,632. Income in 2020 from the sum invested amounted to £11,230. During 2020 £1,565 was spent. The balance carried forward and available for use in future years stands at £32,846.

Income from church activities – Note 2(b)

Net income from the Church and Church Centre bookings were of course substantially lower than in 2019, the former from £11,755 to £4,014 and the latter from £49,724 to £13,819.

This heading also includes rental of church residential properties, where the rentals of £18,727 were received. Net income from fees for weddings, funerals, etc was £3,712.

The Christmas Market, which raised £6,168 in 2019, did not take place in 2020.

Other Income-Note 2(d)

We received £10,469 under the Government's Coronavirus Job Retention Scheme in respect of furloughed staff.

Expenditure – Grants – Note 3

Payments to Mission Partners amounted to £49,384, a slight reduction from 2019 as Bruce and Sarah Clark ceased to be mission partners during the year. Mission Partners received a 1% increment on 1st January 2020. Full details of other donations totalling £18,761 are shown at Note 14 to the accounts. The PCC keeps under regular review the amounts given to mission partners and other donations.

Expenditure – Other - Note 3

In July 2019 the PCC agreed to increase the Diocesan share for 2020 by 2% or £4,665 to £237,916. For 2021, the PCC and the Diocese have agreed a figure of £241,000, an increase of 1.3%, which includes the cost as advised by the Diocese for one full time post, including a share of overheads, in addition to the cost of our own 2 full time clergy posts. Also included under the heading Diocesan Share is £20,008 in respect of the part-time services of one additional clergy, in addition to the 2 full-time clergy posts mentioned above.

Staff costs have decreased from £179,605 to £173,902. The principal reason for this was the non-replacement of certain office staff, after they left employment, less the cost of a full year's service for the Next Generation Minister and an increment of 1% paid in January 2020.

The costs of most church activities, building maintenance and utilities, and children's and youth work were significantly lower than in 2019 because of the Covid restrictions, but we increased our expenditure on audio-visual support for live streamed services and on staff training, where we paid for a half-time course for 3 younger staff members for two terms and one member for one term.

Balance Sheet

The Church Centre is included in the Balance Sheet at its cost of £1,857,261. Other Church and Church Centre fixtures and equipment have a book value of £162,436. Capital expenditure of £19,358 was incurred in 2020, including £13,767 on improvements to the audio-visual equipment for live streamed services, and £4,892 on chairs for the Heath Church. The former is part of a larger project which will be completed in 2021.
As in previous years we have used a property valuation website to provide an internal valuation of our 4 residential properties, for Balance Sheet purposes. The value of these properties has increased by 4.3% to £1,641,200.

2021

The financial prospects for 2021 will clearly be affected considerably by the continuing impact of Covid measures. We have decided to budget for expenditure, before depreciation, to exceed income by £17,700, as we must expect a reduction in income. It is impossible to forecast at present how realistic the budget is. We do however start the year with a high level of reserves (see below).

RISK MANAGEMENT

The PCC has considered the major risks to which the church is exposed including safeguarding children and vulnerable adults (in which regard the PCC follows the Diocese of Southwark Safeguarding procedures in full and has two experienced safeguarding officers to assist it), disability discrimination, health and safety and fire protection. The comprehensive Risk Register is reviewed annually by the PCC. We continue to ensure that we meet GDPR requirements.

The PCC considers the principal financial risk facing the Church is that expenditure is not matched by income. This risk is managed by the preparation of regular monthly financial statements and an annual budget which is regularly reviewed and updated.

FUNDRAISING

The Church's fundraising activities in 2020 consisted of teaching on Christian giving. The majority of the Church's income is derived from standing orders and one-off donations from Church members. A small number of grants also provide a source of income. The Church does not employ outside fundraisers. The Church complies with the principles of the Charities Governance Code.

FUTURE PLANS

The last year was marked by uncertainty and it is only now that we feel able to start making firmer plans for the future. The core strength of the church has been tested and we remain strong. As we emerge out of the pandemic it will be vital to:

- Re-engage our church family in the worship life of the church as we move away from having to rely on online worship, and can begin to safely gather together for worship
- Re-affirm our commitment to seeing God changing lives, families and churches again and again
- Re-envision the church for a new chapter of life together in the post pandemic world
- Review our priorities for the future, leaving behind some aspects of how we used to do things, and moving forward together in unity and with energy
- Re-invest in mission with the vision of passing on our faith to future generations

RESERVES POLICY

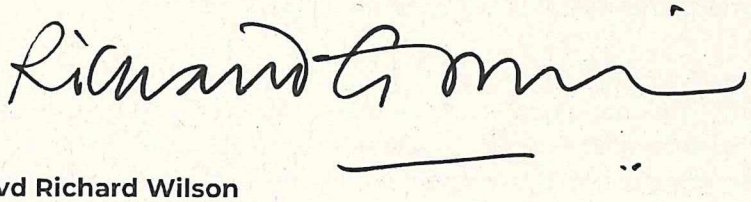
It is PCC policy to hold in unrestricted reserves the equivalent of at least one month's budgeted expenditure. It is also our policy to hold sums in reserve for building works arising from the Quinquennial inspection of the Church and for refurbishment of the Church Centre.

The closing balance of £173,032 on Unrestricted General Reserve on 31st December 2020 represents 3 months budgeted expenditure in the year 2021. This sum, which is significantly higher than in recent years will provide a very helpful buffer if, as is possible, the church recovers only slowly from the effects of the Covid 19 measures. The reserve for Quinquennial repairs at 31st December 2020 stands at £21,530 and the church Centre reserve at £40,000.

INVESTMENT POLICY

The charity (through its trustees) has the power to invest in such stocks, shares, investments and property as deemed fit. The charity has made such investments, principally in relation to the Peggy Caffyn-Tees legacy (see page 6), to generate income and has made no social investments.

On behalf of the PCC on 1 April 2021



Revd Richard Wilson

Vicar

The Trustees (the PCC) are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of the Parochial Church Council of St Mary's Church, Reigate (the "PCC") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion, the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the PCC members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the PCC members' report.
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of PCC members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members

As explained more fully in the PCC members' responsibilities statement, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the PCC members are responsible for assessing the PCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC members either intend to liquidate the PCC or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment, financial reporting legislation and health and safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates, valuation of property, presentation of separately disclosed items, government assistance – furlough income and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to agreeing financial statement disclosures to underlying supporting documentation, testing the calculation of claims made under the Coronavirus Job Retention Scheme, identifying and testing journal entries, reviewing PCC meeting minutes, evaluating the charity' internal controls and challenging significant accounting estimates such as valuation of property.

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Use of our report

This report is made solely to the PCC members, as a body, in accordance Part 4 of the charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the PCC members' those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PCC and the PCC members as a body, for our audit work, for this report, or for the opinions we have formed.

Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

Jacob, Cavenagh & Skeet

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 12/04/2021

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

Parochial Church Council of **St Mary's Church** Reigate

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Income from:									
Donations and legacies	2(a)	615,989	1,130	-	617,119	631,307	63,245	-	694,552
Church activities	2(b)	49,634	2,491	-	52,125	130,971	7,183	-	138,154
Investments	2(c)	876	11,713	-	12,589	1,474	12,728	-	14,202
Other income	2(d)	12,469	1,000	-	13,469	7,000	1,000	-	8,000
Total income		678,968	16,334	-	695,302	770,752	84,156	-	854,908
Expenditure on:									
Church Activities	3	643,023	8,861	-	651,884	727,261	119,522	-	846,783
Total expenditure		643,023	8,861	-	651,884	727,261	119,522	-	846,783
Net gains/(losses) on investments		-	-	20,306	20,306	-	-	30,533	30,533
Net income/(expenditure)		35,945	7,473	20,306	63,724	43,491	(35,366)	30,533	38,658
Transfers between funds		4,892	(4,892)	-	-	803	(803)	-	-
Other recognised gains/(losses):									
Gains/(losses) on revaluation of tangible fixed assets		68,329	-	-	68,329	35,471	-	-	35,471
Net movement in funds		109,166	2,581	20,306	132,053	79,765	(36,169)	30,533	74,129
Funds brought forward at 1 January 2020		3,786,293	61,165	324,037	4,171,495	3,706,528	97,334	293,504	4,097,366
Funds carried forward at 31 December 2020		3,895,459	63,746	344,343	4,303,548	3,786,293	61,165	324,037	4,171,495

All income arises from the continuing activities of the PCC. The PCC had no recognised gains or losses other than those dealt with in the Statement of Financial Activities.
The notes on pages 18 to 28 form part of these accounts.

Parochial Church Council of **St Mary's Church** Reigate

BALANCE SHEET
31 December 2020

Fixed assets	**Notes**	**2020**	**2019**
		£	**£**
Tangible fixed assets	5(a)	3,660,897	3,592,015
Investment assets	5(b)	344,343	324,037
		4,005,240	3,916,052
Current assets			
Debtors	6	36,071	66,676
Cash at bank and in hand		290,807	227,073
		326,878	293,749
Liabilities: amounts falling due within one year			
Creditors	7	(28,570)	(38,306)
Net current assets		298,308	255,443
Net assets	8	4,303,548	4,171,495
Funds			
Unrestricted reserves		3,895,459	3,786,293
Restricted reserves		63,746	61,165
Endowments		344,343	324,037
	9	4,303,548	4,171,495

Approved by the Parochial Church Council on **1 April 2021** and signed on its behalf by:

Revd Richard Wilson
Vicar

Parochial Church Council of **St Mary's Church** Reigate

STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	2020	2019
	£	£
Cash (used in)/provided by operating activities (see below)	70,503	(38,335)
Cash flows from investing activities		
Interest and dividends received	12,589	14,202
Payments to acquire tangible fixed assets	(19,358)	(18,196)
Payments to acquire fixed asset investments	-	(11,500)
Proceeds on sale of fixed asset investments	-	11,500
Cash (used in)/provided by investing activities	(6,769)	(3,994)
Net cash (outflow)/ inflow	63,734	(42,329)
Cash and cash equivalents at 1 January 2020	227,073	269,402
Cash and cash equivalents at 31 December 2020	290,807	227,073
Cash (used in)/provided by operating activities		
Net (expenditure)/ income	63,724	38,658
Interest and dividends received shown in investing activities	(12,589)	(14,202)
Depreciation	18,805	17,735
(Gain)/loss on disposal of fixed asset investments	-	(3,777)
Other (gains)/ losses on investments	(20,306)	(26,756)
(Increase)/Decrease in debtors	30,605	(26,261)
Increase/(Decrease) in creditors	(9,736)	(23,732)
Cash (used in)/provided by operating activities	70,503	(38,335)

1. **Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

The financial statements have been prepared under the historical cost convention subject to the revaluation of residential properties and investments. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern.

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.
Restricted funds are those monies received by the PCC which have been given for a particular purpose, for example the Community Building Project.
Endowment funds are funds, the capital of which must be maintained; use of the income arising from investment of the endowment varies according to individual trust purposes.

Income

Donations and legacies

Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.

Other income

Rental income from the letting of church premises is recognised when the rental is receivable.

Income from investments

Dividends are accounted for when receivable, interest is accrued.

Gains and losses on investments

Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

Grants

Grants relating to revenue expenditure are recognised in income in the periods in which the related costs are incurred.

1. **Accounting policies (continued)**

Expenditure
Expenditure is accrued as soon as a liability is incurred. Support and governance costs are included in expenditure on church activities

Church activities
Most mission grants are payable monthly and are accounted for in the month in respect of which they are payable. Other mission grants are accounted for when a decision to make payment has been taken.

The Diocesan parish share is accounted for when payable.

Fixed Assets
Land and buildings and church and church centre fittings
Consecrated and benefice property is excluded from the accounts by s10 (2) (a) of the Charities Act 2011. Residential properties used by the PCC in undertaking its activities (i.e. staff housing) have been included in tangible fixed assets at their estimated market value. The Church Centre has been included at its cost at the year end. No depreciation has been provided on land and buildings as the PCC has adopted a policy of maintaining properties to a standard that prolongs their lives and enhances their residual values. No value is placed on moveable church furnishings held by the churchwardens on a special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All maintenance expenditure incurred during the year on consecrated or benefice buildings and on church and church centre fittings continues to be written off as expenditure in the Statement of Financial Activities (SOFA). Fixtures and equipment costing more than £500 are capitalised and depreciated over their useful life which varies from 4 years to 40 years depending on the asset.

Investments
Investments are valued at market value at 31 December. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year and are shown as a component of net income.

Current Assets
Gift Aid recoverable and other debtors are included at the amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash and sums placed on deposit available on demand.

Creditors and provisions
Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments
The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 **Income**

		Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
(a)	**Donations and legacies**						
	Planned giving and gifts	500,420	-	500,420	482,290	-	482,290
	Income tax recovery (Gift Aid)	108,263	445	108,708	112,917	10,190	123,107
	Legacies	-	-	-	3,000	-	3,000
	Offertories	3,190	-	3,190	14,649	-	14,649
	Heath Church	2,745	-	2,745	10,360	-	10,360
	Community Building Project	-	-	-	-	6,190	6,190
	Heath Church annexe	-	-	-	-	27,020	27,020
	Vicarage refurbishment	-	-	-	-	18,625	18,625
	Other income from donors	1,371	685	2,056	8,091	1,220	9,311
		615,989	1,130	617,119	631,307	63,245	694,552
(b)	**Church activities**						
	Rental income	36,560	-	36,560	74,204	-	74,204
	Youth income	170	-	170	18,869	-	18,869
	Girls' Brigade income	-	2,491	2,491	-	7,183	7,183
	Hospitality and events	3,500	-	3,500	24,610	-	24,610
	Sundry income	9,404	-	9,404	13,288	-	13,288
		49,634	2,491	52,125	130,971	7,183	138,154
(c)	**Investments**						
	Interest and Dividends	876	11,713	12,589	1,474	12,728	14,202
(d)	**Other income**						
	Government Grant - furlough	10,469	-	10,469	-	-	-
	Other Grants	2,000	1,000	3,000	7,000	1,000	8,000
		12,469	1,000	13,469	7,000	1,000	8,000
	Total income	678,968	16,334	695,302	770,752	84,156	854,908

3 **Expenditure**

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Church activities						
Grants (See Note 14):						
Mission Partners	49,384	-	49,384	51,141	-	51,141
Other mission and donations	18,761	-	18,761	27,990	-	27,990
	68,145	-	68,145	79,131	-	79,131
Other:						
Diocesan Share	257,924	-	257,924	239,655	-	239,655
Fees to Diocese	5,428	-	5,428	5,718	-	5,718
Admin and support staff	93,208	-	93,208	104,499	-	104,499
Community Building Project	-	-	-	-	60	60
CBP tithe (See Note 14)	-	-	-	-	30,786	30,786
Training and Clergy expenses	12,207	-	12,207	9,688	-	9,688
Staff housing	10,783	-	10,783	35,390	-	35,390
Vicarage refurbishment	-	-	-	-	23,281	23,281
Music ministry	37,894	-	37,894	39,188	-	39,188
Youth & children's ministry	58,931	-	58,931	84,239	-	84,239
Girls' Brigade expenses	-	3,969	3,969	-	104	104
Repairs and cleaning	10,660	1,565	12,225	15,056	15,759	30,815
Insurance: Church and Centre	13,037	-	13,037	12,393	-	12,393
Other church activities	16,992	1,023	18,015	33,832	3,104	36,936
Administrative expenses	17,564	-	17,564	22,939	-	22,939
Utilities & Heath Church expenses	16,225	2,304	18,529	22,698	450	23,148
Heath Church Annexe	-	-	-	-	45,978	45,978
Depreciation	18,805	-	18,805	17,735	-	17,735
Governance costs: Audit fees	5,220	-	5,220	5,100	-	5,100
Total expenditure	643,023	8,861	651,884	727,261	119,522	846,783

4 **Staff costs**

	2020 £	2019 £
Wages and salaries	162,519	166,536
Social security costs	6,360	7,717
Pension costs	5,023	5,352
	173,902	179,605
Average number of employees (full time equivalents) during year was	6	7

Payments, excluding reimbursement of expenses incurred on church business, made to PCC members or their spouses in the year were £16,749 (2019: £3,654). These expenses are mainly in respect of salaries £14,884 (2019: Nil) and travel & books for training purposes. Salaries were paid to:

Mrs K Cornish (PCC member)	£680
Mr J Brown (Spouse of PCC member)	£6,313
Mrs G Griffiths (Spouse of PCC member)	£7,891

4 **Staff Costs (continued)**

Payments made to third parties on behalf of PCC members in the year were £3,917 (2019: £1,020.) These were in respect of housing and conference costs. These payments were received by or on behalf of 7 (2019: 5) PCC members. No employee received employee benefits of more than £60,000 (2019: Nil).

5	**Fixed assets for use by the PCC**	**Freehold/ Leasehold Property**	**Fixtures & Equipment**	**Total**
		£	**£**	**£**
(a)	Tangible fixed assets			
	Cost or valuation			
	At 1 January 2020	3,430,132	245,458	3,675,590
	Additions	-	19,358	19,358
	Disposals	-	-	-
	Revaluation of properties	68,329	-	68,329
	At 31 December 2020	3,498,461	264,816	3,763,277
	Depreciation			
	At 1 January 2020	-	83,575	83,575
	Charge for the year	-	18,805	18,805
	Disposals	-	-	-
	At 31 December 2020	-	102,380	102,380
	Net book Value			
	At 31 December 2020	3,498,461	162,436	3,660,897
	At 31 December 2019	3,430,132	161,883	3,592,015

Tangible fixed assets comprise the following freehold/leasehold land and buildings held as assets by the PCC:

i) **63 Chart Lane, 9 Lymden Gardens and Flat 11 Monks Court, Reigate**
These properties are held in trust for the PCC of St Mary's and the full maintenance and insurance costs are the responsibility of the PCC.

ii) **3 St Clair Close, Reigate**
The parish has a 20% interest in this property, the remaining 80% being owned by the diocese. The PCC is responsible for 20% of the maintenance and insurance costs.

iii) **Church Centre, Chart Lane, Reigate**
The land and buildings are owned by the PCC who have responsibility for maintaining and insuring the property.

Residential properties are included in the Balance Sheet at their estimated market value using a property valuation website. The Church Centre is included at its cost.

5(b) **Investments**

	Market value 31 December 2020 £	Market value 31 December 2019 £
Graveyard Trusts (CBF Investment Fund Shares & Deposits)		
Buckle	1,264	1,184
Davidson	225	210
Godfrey	961	899
Keay	925	921
Riddock	409	382
Seeley	200	200
Yglesian	102	96
	4,086	3,892
Parish Trusts (COIF Charities Investment Fund Shares)		
Grice	3,272	3,074
Stennett	3,308	3,108
Maseres	3,045	2,862
	9,625	9,044
Caffyn-Tees Endowment Fund (CBF Church of England Funds)		
CBF Investment Fund	84,976	79,487
CBF Global Equity Fund	94,778	79,631
CBF Property Fund	71,877	75,635
CBF Fixed Interest Fund	79,001	76,348
	330,632	311,101
Total investments	344,343	324,037

The historical cost of the Graveyard and Parish Trust investments is not known and cannot be traced as these investments were donated or acquired many years ago. The historical cost of the Caffyn-Tees Endowment Investments is £238,107.

6 **Debtors**

	2020 £	2019 £
Gift Aid recoverable	22,545	39,254
Other debtors	5,733	16,999
Prepayments	7,793	10,423
	36,071	66,676

7 **Liabilities: amounts falling due within one year**

	2020 £	2019 £
Other creditors	28,310	36,835
Deferred Income	260	1,471
	28,570	38,306

8 **Analysis of net assets by fund**

2020	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 £
Fixed assets	3,660,897	-	344,343	4,005,240
Current assets	263,132	63,746	-	326,878
Current liabilities	(28,570)	-	-	(28,570)
	3,895,459	63,746	344,343	4,303,548

2019	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 £
Fixed assets	3,592,015	-	324,037	3,916,052
Current assets	224,169	69,580	-	293,749
Current liabilities	(29,891)	(8,415)	-	(38,306)
	3,786,293	61,165	324,037	4,171,495

9 **Analysis of fund movements during the year**

2020	Bal b/fwd 1 Jan 2020 £	Income £	Expenditure £	Other gains / (losses) £	Transfers £	Bal c/fwd 31 Dec 2020 £
Unrestricted reserves:						
General Fund	132,748	678,968	(624,218)	-	(14,466)	173,032
Capital Reserve	3,592,015	-	(18,805)	68,329	19,358	3,660,897
Church Centre Reserve	40,000	-	-	-	-	40,000
Quinquennial Reserve	21,530	-	-	-	-	21,530
	3,786,293	678,968	(643,023)	68,329	4,892	3,895,459
Restricted reserves:						
Graveyard Trusts	3,216	84	-	-	-	3,300
Parish Trusts	6,274	277	-	-	-	6,551
Easter Project	4,766	1,685	(1,023)	-	-	5,428
Caffyn-Tees – St Marys	23,181	11,230	(1,565)	-	-	32,846
Caffyn-Tees – Heath	16,610	122	(2,304)	-	(4,892)	9,536
Girls' Brigade Reserve	7,118	2,936	(3,969)	-	-	6,085
	61,165	16,334	(8,861)	-	(4,892)	63,746
Endowments:						
Graveyard Trusts	3,892	-	-	194	-	4,086
Parish Trusts	9,044	-	-	581	-	9,625
Caffyn-Tees – St Marys	311,101	-	-	19,531	-	330,632
	324,037	-	-	20,306	-	344,343
Total Funds	4,171,495	695,302	(651,884)	88,635	-	4,303,548

2019	Bal b/fwd 1 Jan 2019	Income	Expenditure	Other gains / (losses)	Transfers	Bal c/fwd 31 Dec 2019
	£	£	£	£	£	£
Unrestricted reserves:						
General Fund	97,965	770,752	(708,576)	-	(27,393)	132,748
Capital Reserve	3,556,083	-	(17,735)	35,471	18,196	3,592,015
Church Centre Reserve	30,000	-	-	-	10,000	40,000
Quinquennial Reserve	22,480	-	(950)	-	-	21,530
	3,706,528	770,752	(727,261)	35,471	803	3,786,293
Restricted reserves:						
Graveyard Trusts	3,134	82	-	-	-	3,216
Parish Trusts	6,002	272	-	-	-	6,274
Spearhead	803	-	-	-	(803)	-
Commun Bldg Project	23,314	7,532	(30,846)	-	-	-
Easter Project	5,650	2,220	(3,104)	-	-	4,766
Caffyn-Tees - St Marys	26,975	11,965	(15,759)	-	-	23,181
Caffyn-Tees - Heath	31,456	402	(450)	-	(14,798)	16,610
Girls' Brigade Reserve	-	7,222	(104)	-	-	7,118
Heath Church Annexe	-	31,180	(45,978)	-	14,798	-
Vicarage refurbishment	-	23,281	(23,281)	-	-	-
	97,334	84,156	(119,522)	-	(803)	61,165
Endowments:						
Graveyard Trusts	3,451	-	-	441	-	3,892
Parish Trusts	7,670	-	-	1,374	-	9,044
Caffyn-Tees - St Marys	282,383	-	-	28,718	-	311,101
	293,504	-	-	30,533	-	324,037
Total Funds	4,097,366	854,908	(846,783)	66,004	-	4,171,495

Unrestricted Funds comprise:

(a) **General Reserve**, which contains that part of the PCC's income which is freely available for spending.

(b) **Capital Reserve**, which represents the value of invested income (principally in freehold and leasehold properties) which would become available for spending when realised.

(c) **Church Centre Reserve**, an unrestricted reserve, which comprises income set aside by the PCC to meet future refurbishment costs relating to the church centre.

(d) **Quinquennial Reserve**, which contains income set aside by the PCC to meet the costs of repairs to the church buildings identified by the Quinquennial (five-yearly) inspection.

Restricted Funds comprise:

(a) **Graveyard Trusts**, which contain income from endowment funds to maintain named graves.

(b) **Parish Trusts**, which contain income from endowment funds for specific purposes e.g. care of the poor in the Parish.

(c) **Spearhead/1823 Fund**, contained gifts restricted to subsidising a Christian residential activity for youth. This was used in 2019 for the final Soul Survivor event.

(d) **Community Building Project Fund**, contained gifts restricted for use in the reordering of the church, the redevelopment of the church centre, the refurbishment of the Parish Church organ and the 10% tithe to overseas development projects. The Community Building Project was completed in 2019 with the payment of the final tithes. The CBP Fund has been fully utilised and is now closed.

(e) **Easter Project Fund**, which contains gifts restricted for use in this community project.

(f) **Caffyn-Tees Fund (St Mary's),** which contains income from the endowment fund to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.
(g) **Caffyn-Tees Fund (Heath),** which contains a legacy which can only be used for Heath Church general purposes.
(h) **Girls' Brigade Reserve**, which contains gifts restricted for use by the Girls' Brigade.
(i) **Heath Church Annexe Fund,** contained gifts restricted for use in the construction of an annexe to the Heath Church. The annexe was completed in 2019 and the fund is now closed.
(j) **Vicarage Refurbishment Fund,** contained gifts restricted for use in the refurbishment of the vicarage. The refurbishment was completed in 2019 and the fund is now closed.

Endowment Funds comprise:
(a) **The Graveyard Trusts**, which are permanent endowments, the income from which is used for maintenance of named graves.
(b) **The Parish Trusts**, which are permanent endowments, the income from which is used for specified purposes e.g. for the care of the poor in the Parish.
(c) **Caffyn-Tees Trust (St Mary's),** which is a permanent endowment, the income from which is to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.

No transfer was made in 2020 (2019: £10,000) from the General Fund to the Church Centre Reserve to cover anticipated future costs relating to the upkeep of the Church Centre. £14,466 (2019: £18,196) was transferred from the General Fund to the Capital Reserve representing capital expenditure on audio-visual and music equipment during the year. £4,892 was transferred from the Caffyn-Tees Fund (Heath) to the Capital Reserve Fund in respect of the purchase of chairs for the Heath Church. The balance of £803 in the Spearhead/1823 Fund was transferred to the General Fund in 2019 to cover part of the residential costs of sending some youth to the final Soul Survivor event.
£14,798 was transferred from the Caffyn-Tees Fund (Heath) to the Heath Church Annexe Fund in 2019 to cover the remaining construction costs of the Heath Church annexe not covered by the Heath Church Annexe Fund.

10 **Taxation**
The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

11 **Related Party Transactions**
PCC members are considered to be related parties and the total employee benefits received by them are set out in note 4 above. PCC members are not remunerated, except as detailed in Note 4.

During the year, donations were received from PCC members as follows:

	2020	2019
	£	£
General Fund	81,320	74,590
Community Building Project	-	1,000
Vicarage Refurbishment	-	13,625
	81,320	89,215

Trustees and individual liability insurance is covered under the Public Liability section of our church insurance. Mr & Mrs J Brown paid rent of £2,400 for the use of a church property for part of 2020. Mr P Chesterton and Revd H Fraser paid rent of £3,450 and £1,155 respectively, which was set at market rates, for the use of church properties in 2019.

12 **Operating leases**

The total future minimum lease payments under non-cancellable operating leases are payable:

	2020	2019
	£	£
Within one year	679	1,297
After one year but within five years	-	160
	679	1,457
The operating lease charges for the year were:		
Hire of plant and machinery	1,297	1,301

13 **Defined contribution scheme**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represent contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £5,023 (2019: £5,352).

14 **Mission Grants**

	2020	2019
	£	£
Mission Partner Commitments:		
Wycliffe Bible Translators – P & J Fresard	12,911	13,266
T & C Morris – World Horizons	8,039	7,960
M & E Lyth	8,039	5,970
Tearfund – B & S Clark	1,638	6,552
Africa Inland Mission – P & A Guinness	11,936	11,819
CMS – H Kisakye	6,821	4,824
Other Mission Partner expenditure	-	750
	49,384	51,141
Mission & Evangelism – UK:		
Sparkfish – Schools Youth Worker	6,000	6,670
The Children's Society	-	1,787
London City Mission	-	294
	6,000	8,751
Mission & Evangelism – Global:		
K Madanat	2,500	-
Fairtrade	102	-
Tearfund	-	1,732
Bible Society	296	411
CMS Mid Africa	611	624
Global Connections	-	210
St Stephen's Society – Jackie Pullinger	-	3,322
	3,509	6,299

14 **Mission Grants (continued)**

	2020 £	2019 £
Mission & Evangelism – Local & Social Outreach:		
Renewed Hope Trust (including Winter Night Shelter)	36	96
Community Debt Advice	6,000	6,000
Welcare	-	1,418
Barnardo's Fund	-	505
Royal British Legion	-	215
Loveworks	100	672
Women's Refuge Redhill	-	140
Teenage Cancer Trust	-	122
Centrepoint	17	46
St Bede's & Reigate Parish Church Primary School	3,099	2,500
Other	-	71
	9,252	11,785
Mission & Evangelism – Support for the wider church:		
Bishop of Southwark's Lent Appeal	-	729
South London Church Fund	-	181
Reigate Deanery Synod	-	245
	-	1,155
Total Mission Grants from unrestricted funds	68,145	79,131
Community Building Project Tithe:		
Alliance Church Jordan – construct multi-purpose hall	-	16,000
World Horizons – Solar panels on community centre in Burkina Faso	-	7,736
International Assistance Mission – Equipment for eye clinic in Afghanistan	-	4,100
Film projection system for Bible Translators in Senegal	-	1,250
Toilet Twinning – various countries	-	900
Motorbike for Bible Translators in Senegal	-	800
Mission Grants from restricted funds	-	30,786